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**PRIVATE LABEL POSITIONING DETERMINED BY CONSUMERS’
CATEGORIZATIONS OF BRANDS**
Analyzing meanings linked to the Sandstrøm private label brand

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ABSTRACT

The purpose of this study is to analyze how consumers categorize Gigantti's private label brand in different product groups. Therefore, the research problem of the study is how does the Sandstrøm private label brand position in the minds of consumers? This is achieved by examining the underlying associations, meanings and personal values that determine consumers product categorizations in the household appliances and consumer electronics industry. The research paper concentrates on four specific product categories that the Sandstrøm brand is represented in. These are dishwashers, microwave ovens, coffee machines and portable DVD-players.

Consumers evaluate brands by categorizing them in their minds. By understanding how consumers categorize brands in a product class, we can understand how a specific brand positions in the minds of consumers. The theoretical pre-understanding section of this study divided the eight factors that influence consumers' private label categorizations into three groups: 1) product related factors, 2) consumer related factors, and 3) brand related factors.

Furthermore, the empirical section of the study employs the laddering interviewing technique as a research method, which specializes in uncovering consumers' means-end chains for different product categories. This study concludes that the meanings related to the Sandstrøm brand are very category specific. The Sandstrøm brand was recognized as an interesting option and categorized more favorably in the coffee machine and portable DVD-player product categories, where brand familiarity was not as important to respondents. However, the Sandstrøm brand was perceived to have a good range of tangible attributes on products in all the product categories studied in this research paper as well as credible pricing. This study was formed in co-operation with Gigantti Oy Ab.

KEYWORDS: Private labels, Positioning, Household appliances and consumer electronics industry, Sandstrøm

1. INTRODUCTION

“The growth of discounters and warehouse clubs has put immense pressure on traditional retailers and significantly increased retail competition both within and between retail formats” (Ailawadi & Keller 2004: 332). This great deal of direct and indirect competition encountered by retailers has resulted in the increase of private label development and in the escalation of price competition to boost retailers’ revenues and profitability (Finne & Kokkonen 2005: 14).

Private labels can be defined as *“...consumer products produced by or on behalf of, distributors and sold under the distributor’s own name or trademark through the distributor’s own outlet.”* (Baltas 1997: 315; Burt 2000: 875). Private labels can therefore be branded either with a unique label or sold under the retailer’s own name (Ailawadi & Keller 2004: 332). Furthermore, there are notable differences between private label shares of sales in different product categories. For instance, canned foods, kitchen cleaning products and toiletries represented the strongest private label product classes in Finland in 2012. Lauri Sipponen, the managing director of Lidl grocery stores, revealed that there has also been a definite growth in demand for private labels in refrigerated goods. (Taloussanomat 2012.)

In the United States, many retail chains have invested in and developed their own private labels. Consequently, private label brands have started to appear in almost every food and non-food category on the market. (PLMA 2013.) This development illustrates that private label strategies can be adopted by retailers from industries other than the grocery sector. Brands such as RocketFish, Insignia, Curry’s Essentials and PC World Essentials are fitting examples of private label brands in the household appliances and consumer electronics industry, which are not part of the convenience goods sector where private labels are more common. For instance, RocketFish and Insignia are private labels manufactured for an American multinational consumer electronics retailer called Best Buy. The RocketFish brand specializes in accessories for electronic appliances and gaming whereas the Insignia brand concentrates on electronic equipment such as televisions and competes against well-known manufacturers’ brands. Furthermore, Curry’s Essentials and PC World Essentials are both owned by Dixons Retail (part of DSG International). These private labels represent small and large household appliances as well as consumer electronics and accessories. (CNET 2010; Planet Retail 2011; PCMAG 2013; RocketFish 2013.)

However, private label development in Finland has not yet reached the average European standard. In Finland, private labels share is approximately one fifth of sales whereas in some European countries private labels account for over half of sales for retailers. The greatest development in private labels has been in Switzerland, France and Great Britain. In Finland, the most acknowledged private labels are *Pirkka* and *Euro Shopper* sold by Kesko, *Rainbow* and *X-tra* traded by S-Group and *First Price* and *Eldorado* owned by Tuko Logistics. (Finne & Kokkonen 2005: 47; Turun Sanomat 2012; Taloussanomat 2013; Yle 2013.)

Furthermore, in Finland retailers' private labels have received a great deal of media attention during the past few years. Concentrating on retailers who operate in the grocery sector, the media has examined whether or not private labels are beneficial for consumers and for the marketplace as a whole. On the one hand, they argue that retail brands provide consumers with a wider range of choice as well as lower prices. On the other hand, they illustrate that retailers' roles have changed due to the development of private labels and their power over the marketplace has increased to an "*unnaturally strong*" position. (Taloussanomat 2012; Turun Sanomat 2012; Helsingin Sanomat 2013.) Heikki Juutinen from the Finnish Food and Drink Industries Federation (Taloussanomat 2013) also observes that private labels and their expansion can further increase the concentration of retailers (Beneke, Flynn, Greig & Mukaiwa 2013: 218).

Interestingly, the scrutiny surrounding private label development at the moment makes private labels an intriguing research topic. This study will concentrate on a private label brand in the household appliances and consumer electronics industry. This private label is called Sandstrøm and is owned by Gigantti Oy Ab.

Gigantti is part of a Norwegian Elkjøp corporation which is owned by the British DSG organization. Gigantti operates in the household appliances and consumer electronics industry in Finland. Its concept is based on providing consumers with a wide range of brands at the best affordable prices. Furthermore, Gigantti has achieved a market-leader position in the industry by utilizing a rapid expansion strategy with aggressive pricing and marketing tactics. (Gigantti Oy Ab 2013 a.) At the end of the financial year 2012, Gigantti's turnover was 388 million euros with a profit of 17,6 million euros (Taloudenvuosi 2013).

Gigantti is faced with major competition from direct and indirect competitors. Some of the biggest competitors for Gigantti are domestic and foreign online stores such as Verkkokauppa, whose strategies are based on providing consumers with well-known brands at low prices. Hypermarkets such as Prisma and K-Citymarket also pose a threat to the retailer as many of them have added a range of household appliances and consumer electronics to their already broad and diverse offerings. Moreover, the customer loyalty programs and bonus card systems utilized by these grocery retailers, to further attract consumers, may threaten Gigantti's potential customer base. (Taloudenvuosi 2013.) By adopting a private label strategy Gigantti can gain a competitive advantage in the marketplace and differentiate itself from major competitors.

The Sandstrøm brand is Gigantti's own private label. The brand is represented in a wide range of household appliances and consumer electronics product categories. These include television and audio products, small household appliances such as microwave ovens and coffee machines, consumer electronics accessories such as keyboards and laptop cases as well as large household appliances such as dishwashers. Gigantti also emphasizes that Sandstrøm products are developed according to practicality and functionality with an emphasis on Scandinavian design. (Gigantti Oy Ab 2013 b.) Due to Gigantti's strong market position it will be interesting to find out what types of meanings consumers relate to the retailer's own private label.

The fact that the Sandstrøm brand is not a well-known brand among consumers makes it interesting to find out how consumers will react to an unfamiliar brand in an industry where product prices and frequency of purchases are different compared to convenience goods. A number of researchers have also mentioned that more research needs to be conducted on private labels in the durable goods industry such as the household appliances and consumer electronics sector before generalizations on choice behavior can be made on their part (for example see Leingpibul, Broyles & Kohli 2013). Hence, it will be interesting to learn how consumers categorize a private label brand in the household appliances and consumer electronics sector and whether differences will be found between product groups.

By conducting a set of in-depth interviews we are able to gain new insights and valuable information regarding the meanings associated with household appliances and consumer electronics products and especially the meanings consumers' associate with the Sandstrøm brand.

1.1. Research problem and objectives

The aim of this study is to analyze how consumers categorize Gigantti's private label brand in different product groups. For instance, the following questions will be answered: What are the underlying meanings and values that initiate consumers' categorizations? Do consumers categorize the Sandstrøm brand differently depending on the product category? If so, what are the reasons for this? Do the meanings that consumers associate with the Sandstrøm brand differ between different product categories?

In addition, the research problem for this study is defined as *how does Gigantti's private label position in the minds of consumers?*

The following three objectives have been set in order to answer the research problem:

The first objective aims to build a theoretical understanding of the factors influencing consumers' private label categorizations. This will be achieved by establishing a pre-understanding of private labels, how they are utilized by retailers to differentiate from competitors and what the benefits are of using a private label strategy. In addition, the aim is to gain an understanding of how private labels are evaluated by consumers and thus, comprehend which factors of individual choice behavior affect how private labels are categorized. The first objective will be achieved by gathering information from secondary sources and from previous research papers.

The second objective aims to understand how consumers categorize the Sandstrøm private label brand in different product categories. This objective relates to the empirical section of the study. The purpose is to examine how consumers categorize Gigantti's private label brand as well as to analyze what underlying associations, meanings and personal values are attached to these group formations. The research paper will examine four specific product categories that the Sandstrøm brand is represented in. These are dishwashers, microwave ovens, coffee machines and portable DVD-players.

The third objective aims to identify and analyze the meanings linked to the Sandstrøm private label brand. Essential to understanding how the Sandstrøm brand positions in

the minds of consumers is to recognize the meanings linked to the brand. Thus, the purpose of this objective is to examine the overall meanings that are related to the Sandstrøm private label brand. This will be achieved by combining and analyzing information from the research findings with the information discovered in the theoretical pre-understanding of the study.

The research paper was formed in co-operation with Gigantti Oy Ab with a consumer-oriented perspective. Although this research paper analyzes how consumers categorize the Sandstrøm brand, the intention is also to acquire information that could assist the retailer in developing the private label in the future.

1.2. Research approach

The research approach for this paper is hermeneutic phenomenological, since the purpose of this study is to essentially understand and analyze consumer behavior in the household appliances and consumer electronics industry. Hermeneutic phenomenology is a qualitative research approach where the manifolds of reality are acknowledged and the focus is on describing real life. This research methodology also concentrates on thoroughly understanding the phenomenon that is being studied whereby the intention is to uncover facts rather than verify existing suggestions or proposals. (Hirsjärvi, Remes & Sajavaara 2012: 161.) This research paper will utilize a qualitative research approach, since the aim is to create a deeper understanding of the meanings associated with different product categories in the household appliances and consumer electronics industry.

Furthermore, in a hermeneutic phenomenological study the human being is the researcher as well as the subject of the research (Tuomi & Sarajärvi 2009: 34). The notions of meaning, experience and community, which are central to hermeneutic phenomenological research, will be the guiding concepts of this study. Consequently, phenomenology is concerned with experience, meaning the human's experiential relationship with his/her own reality and the world he/she lives in. This experience is created when a human interacts with reality and through this experience a human's relationship with nature, culture and other people can be defined. (Laine 2001: 28-29.)

Although the purpose of phenomenology is to examine experience, this experience appears in the form of meanings. This is because individuals' relationship to the world

is believed to be intentional. In other words, everything means something to us and the relationship people have to reality is based on meanings. Phenomenology is therefore concerned with meanings and more precisely meanings that derive from human experience. (Laine 2001: 29; Tuomi & Sarajärvi 2009: 34.) This research paper will analyze the deeper meanings that are associated with specific products' tangible and intangible attributes as well as functional qualities.

In addition, the reason for incorporating the hermeneutical dimension with the phenomenological approach arises from the need for interpretation. In this context, hermeneutics relates to the theory of interpretation and understanding, where the term understanding is defined as recognizing the meaning behind phenomena. (Laine 2001: 31; Tuomi & Sarajärvi 2009: 34-35.) Laine (2001: 36) also mentions that a researcher's understanding should continually develop, revise and deepen during the research, which further characterizes the cycle of the hermeneutical circle. The purpose of hermeneutic phenomenological research is therefore to conceptualize the phenomenon that is being studied and bring awareness to knowledge that might already be known, but has not yet been acknowledged (Laine 2001: 33; Tuomi & Sarajärvi 2009: 35). Finally, the intention is to understand the meanings a person relates to the topic in question during a specific moment in time and not to achieve universal generalizations. (Laine 2001: 31.)

1.3. Structure of the study

The introduction of the research paper begins by presenting the research topic and establishing interest towards the subject by describing recent developments in private labels, both in general and in the household appliances and consumer electronics industry. The research problem and objectives are then defined after which the research approach and perspective are determined. Finally, at the end of the introduction the structure of the study is outlined.

The second chapter begins by creating a theoretical pre-understanding of private labels. This chapter is divided into two sections. First, it will describe in detail what private labels are, how they are utilized as a means to compete in the marketplace and what are the benefits of using a private label strategy for a retailer. This section also includes a description of how retailers can position brands effectively. Then, the next section of the chapter provides a review of how consumers' evaluate private labels. These factors of individual choice behavior, that affect consumers product evaluations, are then

discussed in depth. The second chapter answers the first objective of the study and therefore formulates a pre-understanding of the research topic by utilizing secondary sources.

The third chapter defines the methodology and the research method employed in the empirical part of the study. The research will be conducted using a one-on-one laddering interviewing technique which is based on the Means-End Theory. This interviewing technique and the Means-End Theory are both described in detail in this chapter and their suitability for this research is justified. The chapter then continues by evaluating the validity and reliability of the study and concludes by presenting how the interviews were implemented in practice as well as illustrating the methods used to analyze the empirical findings.

The fourth chapter of the study portrays the research results. The first four sections of the fourth chapter answer the second objective of the study where each product category is analyzed separately. In order to illustrate the findings more clearly and effectively hierarchical value maps have been constructed for each product category and for each Sandstrøm product in that product class. In addition, the final section of this chapter identifies the overall meanings linked to the Sandstrøm brand which is crucial to understanding how the brand positions in the minds of consumers. Therefore, this section answers the third objective of the study by combining and analyzing information from the research findings with the information discovered in the theoretical pre-understanding of the study.

Finally, in the fifth chapter the conclusions of the study are presented. This also includes identifying the managerial implications of this study for Gigantti as well as the challenges relating to developing the Sandstrøm private label in the household appliances and consumer electronics industry. Figure 1 below illustrates the structure of the study.

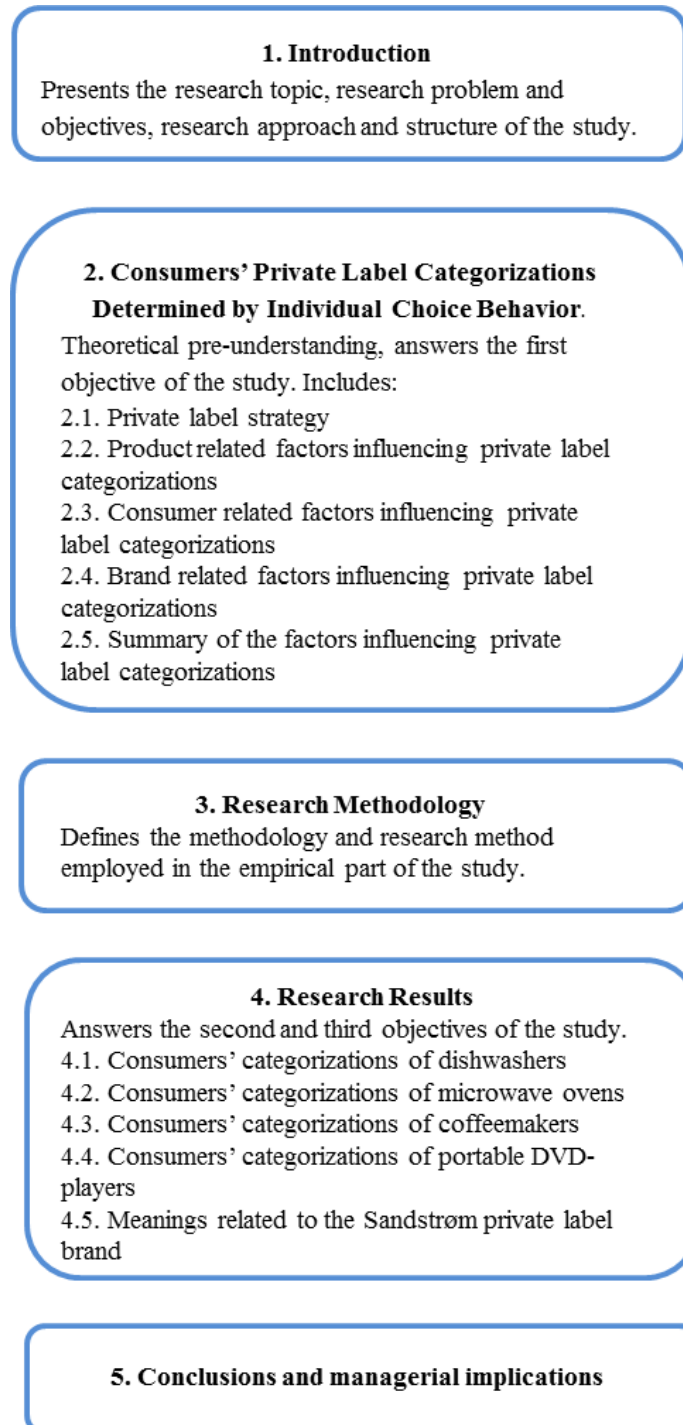


Figure 1. Structure of the study.

2. CONSUMERS' PRIVATE LABEL CATEGORIZATIONS DETERMINED BY INDIVIDUAL CHOICE BEHAVIOR

Consumers' private label categorizations are determined by various dimensions of individual choice behavior. The purpose of this chapter is to build a theoretical understanding of private labels as well as of the factors that influence consumers' private label categorizations. The first section of this chapter will discuss private labels in general from the perspective of retailers including their benefits and how they are utilized. It will also include a section on differentiation and why differentiation is important for retailers and their private labels in the current market environment. Here we will also talk about what is meant by brand positioning and the benefits that strategic brand positioning can bring to a business when in need of differentiation.

Then, the second section of this chapter will examine the factors that have a direct impact on how consumers categorize and evaluate alternative brands. This is achieved by a close analysis of the factors affecting individual choice behavior. This paper divides these factors into three groups: 1) product related factors, 2) consumer related factors, and 3) brand related factors. This discussion will therefore illustrate which variables affect consumers categorizations of retailers private labels and finally, a summary of the pre-understanding section is provided at the end of the chapter.

2.1. Private label strategy

The market share of private labels has been growing over the years (Ogenyi Ejye 1994: 12; Pietarinen 2005; Glynn & Chen 2009: 896). Private labels gained an important foothold in the retailing business during the 1980's and 1990's (Ogenyi Ejye 1994: 12; De Wulf, Odekerken-Schröder, Goedertier & Van Ossel 2005: 2243), and they are still very viable with retailers investing in private label development and introducing private label options into new product categories that have previously included manufacturer's brands only. Previous research suggests that one of the main reasons why private labels have been growing in strength is because retailers have been able to diminish the quality difference between private labels and manufacturers' brands (Mayer & Vambery 2013: 146, 149). They have also been able to communicate this improvement to consumers successfully and as a result the competition between private labels and manufacturers'

brands has increased, where manufacturers have had to adjust to the market changes and take retailers' private label brands as a serious threat.

Private labels are defined as brands which a certain retailer or a retailer chain owns and they consist of products that are produced and supplied exclusively by that retailer (Beneke et al. 2013: 218). In general, private labels are priced lower than manufacturers' branded products. For example, S-Group's private label Rainbow aims to be 10 – 20 % cheaper than corresponding manufacturers' branded goods. (Turun Sanomat 2012; Yle 2013.) However, retailers have also developed premium private label brands, which are distinct from normal private labels in the sense that their purpose is to provide consumers with a high value-added product. Normally, premium private labels are not priced lower than manufacturers' brands, because they have been designed in an innovative way and sometimes offer an even higher quality than manufacturers' brands. (Huang & Huddleston 2009: 978.)

The escalation in private labels has caused retailers to start to change their strategy for private labels from the usual low cost/no frills strategy to an approach that resembles more closely manufacturers' brand marketing strategies. Retailers want to increase their offerings, expand their distribution as well as improve quality and packaging of private labels in order to gain a larger stake in the growing private label market. (Halstead and Ward 1995: 38.) This is supported by Huang & Huddleston (2009: 976) who state that there has been a definite shift in the positioning of retailers' private labels. Many retailers are now investing in premium private labels that display the personality of the store and retail chain and are no longer the cheap alternatives to manufacturers' brands. Halstead and Ward (1995: 46) also suggest that retailers should concentrate on developing the price-value relationship of private labels. Therefore, it is important for retailers to become more value conscious while at the same time not forgetting the original competitive advantage of private labels over manufacturers' brands (low cost/high margin advantage).

Furthermore, the sales development of private label brands is beneficial to retailers. Bonfrer and Chintagunta (2004: 211-212, 216) note that private labels create retailers higher profit margins on average compared to manufacturers' brands. This is supported by Ailawadi's & Harlam's (2004: 147) research where over 70% of retailers acknowledged that private label growth is an important issue, with the most significant reason for investing in private labels being the fact that they provide *better profit margins* for retailers. Some studies have also shown that the adoption of a private label

strategy can increase store loyalty. This is important, since according to previous research store-loyal consumers are more likely to choose the retailer's private label from the store shelf. (Baltas 2003: 1499; Bonfrer & Chintagunta 2004: 197, 216.) Collins-Dodd and Lindley (2003: 345) also add that in some cases, where private labels have the highest market share in a product category, their exclusive distribution creates store loyalty for the retailer.

Other benefits include the fact that retailers can manage the production of private labels and control their pricing more freely compared to manufacturers' branded products (Taloussanomat 2012). In addition, private labels have relatively small marketing costs. Turun Sanomat (2012) reveals that private labels marketing costs are on average 1% of total costs whereas for branded products this figure is around 13%. This finding is reinforced by Baltas (2003: 1499) who states that retailers are able to make higher margins on private labels because of lower supply prices and marketing expenditures. Also, retailers avoid direct competition with private labels, since they are exclusively distributed items, and therefore improve store differentiation.

However, Glynn's and Chen's (2009: 911) research illustrates that the success of private labels is to some extent determined by the product category. Their findings suggest that consumers private label purchasing is increased in product groups where perceived risk, brand loyalty and perceived quality are less of a concern to buyers. On the other hand, lower private label share can be seen in product categories where consumers are more aware of the price-quality relationship and brand loyalty. Hence, these findings suggest that product categories such as household appliances and consumer electronics are harder for private label brands to penetrate and so require a well-planned strategy from the retailer in order to be successful.

In addition, adopting a private label strategy enables retailers to differentiate themselves from competitors and increase customer loyalty. For example, private labels can make a retailer's assortment more attractive and therefore, provide the customers with a reason to choose a specific retailer's stores and outlets from the many alternatives. Furthermore, private labels help the retailer to gain more market power in a category and strengthen the retailer's overall negotiation power in the value chain. (Bonfrer & Chintagunta 2004: 195, 197; Finne & Kokkonen 2005: 48.)

In today's highly competitive marketplace the creation and maintenance of brands is very important for businesses. Brands can be crucial to the success of retailers because

differentiation from alternative offerings, which is a key factor in consumer marketing, is primarily provided by brands. (De Wulf, Odekerken-Schröder, Goedertier & Van Ossel 2005: 224.) The key to brand strength is differentiation. When a retailer is able to differentiate its brand from others and able to maintain this position, the brand provides consumers with a reason to select it from the many alternatives. In other words, differentiation increases the brand's strength and has a positive impact on the whole company as well providing an image of a creative and original business. (Mayer & Vambery 2013: 141.) Therefore, the management of private label brands in a strategic manner is very important for retailers. Halstead and Ward (1995: 46) also mention that for the success of private label brands it is crucial that retailers must identify themselves as brand marketers and therefore, understand the need to develop and support the brand in the same way manufacturers nurture and foster their brands.

Strategic brand positioning can enable a company to differentiate its offering in a meaningful way in the minds of target consumers. The aim of brand positioning is to gain a favorable position in the minds of consumers and being able to maintain this beneficial position. It relates to understanding how consumers categorize different alternatives in their minds; which criteria is utilized by consumers to guide them in their choices; and which characteristics are the most important for consumers. (Pulkkinen 2003: 57.)

In general, there are two different approaches to brand positioning that businesses can adopt. According to the first approach the company already has a clear picture of what it stands for and what it wants to achieve. In this case brand positioning helps the company to understand how they should bring their message across so that it addresses the target consumers. However, according to the second approach brand positioning is used by companies to find an answer to the question: what should we promise customers? This approach concentrates on exploring the human mind and providing answers to questions such as: what factors can you credibly differentiate your offering within a category and what are the current rules of the category?; what type of promises do consumers listen to and what type of messages are rejected?; how can the brand positioning be developed and which measures should be avoided at all costs? (Pulkkinen 2003: 57, 58-59.)

Strategic brand positioning can be defined as finding, achieving and maintaining a position in the minds of target consumers that is meaningful and differentiates the company's offering from the competitors. A retailer can benefit from strategic brand

positioning in a number of different ways. These include 1) forcing the company to think about what it really wants and what it can represent credibly on the market, 2) what the consumers' perceptions are in reality, 3) helps to acknowledge how the company or brand is better/different from competitors, as well as 4) guides the company to consistently develop and manage consumers' perceptions. In addition, strategic brand positioning helps the business to bring across what the brand represents to each target customer segment in a meaningful way and also helps to build a good reputation for the brand as well as the business, which ultimately generates financial success. (Pulkkinen 2003: 120, 124-125.)

Consumers evaluate brands by categorizing them in their minds. By understanding how consumers categorize brands in a product class we can understand how a specific brand positions in the minds of consumers. However, categorizing and evaluating brands into distinct groups does not happen in a vacuum but rather is affected by many different variables. The literature review illustrates that the factors that influence consumers' private label categorizations include the price of the product, perceived product quality, perceived risk, consumers' level of involvement, personal values affecting brand choice, consumer confidence and brand familiarity, consumers' brand associations and consumers' brand attitudes. Therefore, these variables explain the reasons why a customer decides to choose or not to choose a private label brand from the store shelf.

In this paper the above mentioned factors have been arranged into three groups: 1) *product related factors*, 2) *consumer related factors*, and 3) *brand related factors*. The following section will review each factor in turn examining its effect on individual choice behavior.

2.2. Product related factors influencing private label categorizations

The first group of variables that influence private label categorizations are called product related factors. These include the price variable, perceived product quality and perceived risk. First, we will define what is meant by the price variable and discuss its effects on individual choice behavior.

2.2.1. The price variable

Price is a valuable factor in explaining individual choice behavior and the categorization of brands. Beneke et al. (2013: 219) state that price is one of the most important types of information that consumers have during a purchasing decision. According to Sivakumar (1996: 15) the price variable has two roles in individual choice behavior. On the one hand, consumers use the price of a product as an indicator of *quality*; the higher the price of a product, the higher its perceived quality. On the other hand, price stands for the *monetary sacrifice* that a customer must make in order to get the brand. Beneke et al. (2013: 219) add that this monetary sacrifice, created by price, significantly affects consumers' perceptions of product value, in that the relationship between perception of price and perception of value is negative. This is because consumers' purchasing power deteriorates with higher prices.

Furthermore, consumers' *price-consciousness* is found to be a factor that affects private label purchases. It relates to consumers who concentrate solely on paying low prices for products. Previous research illustrates that a consumer's level of price-consciousness has risen in relation to how low his/her income is. (Batra & Sinha 2000: 177.) Similarly, Baltas (1997: 319) has found that a lower product price affects the purchase of private labels. Research has shown that customers who purposefully look for the cheapest alternative in a product category are prone to choose retailers' private label brands. This is because private labels are generally priced lower than manufacturers' brands. Also, deal-prone consumers who place less emphasis on price-quality associations have a high level of price-consciousness (Batra & Sinha 2000: 177).

Interestingly however, Baltas (1997: 319) discovered that deal-prone consumers, who look for special offers or price cuts, rarely choose private labels from the store shelf. One reason could be that private labels are not advertised as often as manufacturers' brands, which means that consumers are less likely to be aware of special offers directed towards private labels. Beneke et al. (2013: 219, 224) also note that perceived relative price has a considerable positive relationship with consumers' *perceived product value* as well as perceived relative price is positively related to *perceived product quality* (the dimension of perceived quality is discussed in the next section). This indicates that customers' perceived price has a direct impact on perceived product value and that consumers evaluate the quality of a product higher if the relative price of the good is high compared to competing brands.

These findings illustrate that the price variable is a key determinant in individual choice behavior regarding private labels. Results from studies on convenience goods indicate

that private labels need to show noticeable affordability to consumers. This means that private label brands should be priced considerably lower than manufacturers' brands so that the savings justify the risks taken by the customer when choosing a private label brand. (Beneke et al. 2013: 225.) However, Sivakumar (1996: 19) states that the role of price in brand choice and how price affects perceptions of quality and sacrifice differs according to product category and consumer type. For instance, the quality effect may be more important than the sacrifice effect in a situation where the consumer is interested in the performance risk of the good more than the financial risk. On the other hand, the sacrifice effect may dominate in a situation where the consumer does not perceive any quality differences between brands.

Also, it is good to note that a low price destroys an image of quality and that there is a danger of setting a "stuck in the middle" price, which is not low enough to create a sale but still sends a message to consumers of lesser quality compared to category leaders. (Beneke et al. 2013: 225.) Therefore, it is paramount that marketers understand the role of price and manage the sacrifice as well as the quality effect of price on choice behavior when positioning private labels (Sivakumar 1996: 21). Next the concept of perceived quality is discussed which has been shown to have a significant impact on perceived value and thus individual choice behavior during a purchasing decision.

2.2.2. Perceived product quality

A consumer's perceived product quality relates to his/her attitude towards a specific brand. Perceived quality can be defined as how a consumer views a product's overall greatness as well as its' brand equity in comparison to other possible alternatives. (Beneke et al. 2013: 219.) Previous research indicates that consumers generally utilize extrinsic cues to evaluate product quality. These include price, packaging, brand name, color and store name. Brand name especially represents an "information chunk" for the consumer about numerous product attributes such as the manufacturer, price, product performance level and the shape and size of the product. (Richardson, Dick & Jain 1994: 29, 34). Therefore, perceived product quality is a significant factor in determining individual choice behavior regarding private labels. One reason could be that a positive relationship has been detected between perceived quality and perceived value. (Beneke et al. 2013: 219-220.) Consumers want to choose the brand that has from their point-of-view the highest perceived value, and quality is one aspect that affects overall perceived value of a product.

Furthermore, Leingpibul et al. (2013: 210) state that the quality and performance levels of private labels in certain product categories are in fact much better compared to manufacturers' brands (Richardson et al. 1994: 28). However, manufacturers' brands have strong brand images and it is often this image that reassures consumers of a quality standard that can be trusted (Baltas 1997: 320). Richardson et al. (1994: 28) believe that the low quality image that consumers often associate with private labels could be due to retailers' poor positioning and communication strategies, rather than due to actual differences in the levels of quality in products. Baltas (1997: 320) also adds that the more importance an individual places on quality in a specific product category the less likely they will choose a private label alternative. This finding could signal that private labels have better chances at competing against manufacturers' brands in certain product categories more than in others.

As noted earlier perceived quality is positively linked to *perceived relative price* but perceived quality was further found to have a negative relationship on *perceived risk*. (Beneke et al. 2013: 224). This means that the perceived risk felt by consumers when evaluating brands is lower when the perceived quality of the product is high. Similarly, Batra and Sinha (2000: 188) suggest that when consumers are not sure about the quality level of a private label product it causes them to feel uncertainty and as a result the customer will choose a trusted manufacturer's brand over a private label in order to reduce this perceived risk (perceived risk is discussed further in the next section).

These results imply that retailers should concentrate more on the quality perspective of private labels. Richardson et al. (1994: 28) suggest that increasing favorable quality perceptions for private labels could be achieved by focusing more on quality, rather than on price. This is because some studies suggest that customers use price as an indicator of product quality. Therefore, when concentrating solely on the value-for-money approach the retailer may be signaling "lower quality for lower prices" instead of the pursued message "very good quality for lower prices". (Richardson et al. 1994: 28, 34.) Similarly, Ailawadi and Keller (2004: 336) mention that private labels are more likely to succeed if they are positioned in terms of quality due to perceived quality's effect on brand choice. Also, previous research indicates that positioning a private label close to the leading manufacturer's brand would be the most profitable option for the retailer. However, the majority of private labels on the market fail to target any specific manufacturer's brand due to credibility reasons.

The above literature review illustrates that perceived product quality significantly influences individual choice behavior and private label categorizations. Therefore, it is paramount that retailers consider the quality perspective when positioning a private label. Beneke et al. (2013: 225) mention that it is crucial for retailers to take into account quality cues such as products self-space in stores and selecting the right channels to promote the brand. The credibility of the brand can be enhanced further by educating consumers of the advantages of private labels. In addition, objective information on packaging about product attributes, manufacturing quality and seals of approval will reinforce the quality experienced during consumption, and lessen the perceived risk felt by consumers during a purchasing decision (Batra & Sinha 2000: 188-189).

Finally, Richardson et al. (1994: 34-35) remind retailers that understanding customer requirements is the key. Even though extrinsic cues strongly affect consumers quality assessments it is vital that high intrinsic product quality is maintained while at the same time a strong brand image is developed. They suggest that retailers can increase perceived quality of private labels through actively communicating quality information to consumers and by developing public relations campaigns. Active marketing of private labels includes developing imaginative packaging (Burt 2000: 885), creating strategies for differentiation as well as highlighting the real intrinsic product benefits to a greater extent. In the following section the influence of perceived risk on individual choice behavior is examined.

2.2.3. Perceived risk

“Perceived risks concern the undesirable consequences that consumers want to avoid when they buy and use products.” (Peter & Olson 2008: 74). The knowledge and beliefs that consumers have of unpleasant consequences and of the negative affective responses that develop from this uncertainty, such as negative feelings and emotions, are all part of perceived risk (Peter & Olson 2007: 75). Previous research has shown that a critical factor in private label proneness has been the level of perceived risk in a product category (Batra & Sinha 2000: 178). Therefore, perceived risk influences consumers brand choices and purchase intentions. The amount of risk perceived by the consumer depends on his/her product attribute uncertainty, money at stake as well as the level of confidence felt by the consumer (Kotler et al. 2009: 253).

It has been found that it is unlikely that consumers will choose a brand that exerts a high perceived risk. (Peter & Olson 2008: 75). Consumers will not choose the private label option if the private label brand's level of perceived risk is high in a specific product category (Batra & Sinha 2000: 178). Glynn and Chen (2009: 898) mention that private labels have been identified as being inferior to manufacturers' brands on prestige, quality and reliability. Therefore, in many situations manufacturers' brands provide a safer option for consumers with less chance of making a purchasing mistake. They also mention that a product's performance level is considered by many consumers to be the most risky element on private label products.

Furthermore, when buying and consuming products consumers can recognize or be aware of many different varieties of risk. These can be 1) *physical risk*, 2) *functional risk*, 3) *time risk*, 4) *financial risk*, 5) *social risk* and 6) *psychological risk*. *Physical risk* is a consequence that can affect the user's or someone else's health and physical well-being. *Functional risk* is defined as how well a product performs the tasks it has been designed to do and whether its performance reaches the user's expectations. Moreover, *time risk* has to do with the opportunity cost for the consumer of finding another good product if the chosen product fails and *financial risk* covers the fact that the product is not worth the amount of money paid by the consumer. In addition, *social risk* portrays the consumer's embarrassment that may result from using the chosen product and finally, the threat that a product does not match a consumer's perceived self-image is termed *psychological risk*. (Peter & Olson 2008: 74-75; Kotler et al. 2009: 253.)

In their research Glynn and Chen (2009: 899) also discovered that consumer perceived risk is affected by the nature of the product attributes of a product class. In other words, product attributes can be divided into *search* qualities and *experience* qualities. Search attributes are features which the consumer can verify through direct inspection or through readily available sources such as color, size, ingredient content, etc. However, experience qualities are attributes which are more intangible and can only be verified through the use of the product, such as taste. In a purchase situation consumers feel less perceived risk in product categories which include more search than experience attributes and thus, in these situations are increasingly more likely to choose the private label option from the store shelf. (Batra & Sinha 2000: 179; Glynn & Chen 2009: 899.) This finding could explain to some extent why private label proneness is higher in certain product groups than in others.

In order to reduce perceived risk and the negative consequences that come with it, consumers generate methods that they can utilize when making purchasing decisions. These include preferring manufacturers' brands over retailers' private labels and choosing more well-known brands in relation to unfamiliar brands. This is confirmed by Mayer and Vamberg (2013: 141) who state that strong brands make the purchase process for consumers more easier and decrease consumer risk. Consumers' may also gather product and brand information from trustworthy people, rather than trusting the marketing campaigns of businesses. These findings therefore suggest that in order for private label products to have a better chance at competing against manufacturers' brands it is paramount that retailers reduce consumers' perceptions of risk towards their private labels. By understanding the factors that contribute to consumers' perceived risk, retailers can develop effective ways of decreasing it. (Peter & Olson 2008: 74-75; Kotler et al. 2009: 253.) The next section will review consumer related factors that influence private label categorizations.

2.3. Consumer related factors influencing private label categorizations

The second group of variables that influence private label categorizations is called consumer related factors. These include consumers' level of involvement and consumers personal values. First we will define consumers' level of involvement and discuss its effect on individual choice behavior.

2.3.1. Consumers' level of involvement

Consumers' involvement can be with brands, with specific product categories or with certain products. The level of consumer involvement explains why some people are more motivated to collect information and care more about certain brands and products than other people. Peter and Olson (2008: 85) define involvement as “...consumers' perceptions of importance or personal relevance for an object, event, or activity.”

On the other hand, Kotler et al. (2009: 255) describe involvement as the “...level of engagement and activity processing the consumer undertakes in responding to a marketing stimulus.” Finally, Solomon (2009: 163) explains that “Involvement is “a person's perceived relevance of the object based on their inherent needs, values, and interests.”” Thus, different people may portray varying levels of involvement (Miquel, Caplliure and Aldas-Manzano 2002: 8). According to Solomon's (2009: 163) view

different variables can trigger involvement in consumers, since involvement is a motivational construct. These factors can be something about the *object*, *situation* or *person*.

Peter and Olson (2008: 85) illustrate that the level of involvement should be perceived as a *continuum* rather than being perceived as either high or low. This continuum moves from quite low levels where consumer's perceived relevance is zero or small, to moderate levels where some perceived relevance is detected and finally to extremely high levels where perceived relevance is high. Solomon (2009: 164-165) describes the low level of involvement on the continuum as *inertia*. Here decisions are made out of habit, because consumers are not motivated to consider alternatives. For example, when shopping for convenience goods some consumers make product and brand choices out of habit, since it requires less effort on their part. However, at the other end of the spectrum consumers enter a *flow state*. They are highly motivated since the object is meaningful to them and a sense of passion is felt towards that object.

Miquel et al. (2002: 8) also state that the amount of *information searched*, the *amount of information being processed* and the *evaluation of possible alternatives* are all directly linked to a consumer's degree of involvement. Consequently, when consumers are highly involved, for example with a product class, they are motivated to use their own resources such as time and effort in order to choose the right brand from the product category.

In addition, the level of consumer involvement is likely to increase when product heterogeneity, product price and perceived risk are high in a given product category (Laurent & Kapferer 1985: 42; Kotler et al. 2009: 255). This suggests that consumers tend to be low involved with product categories that are low priced and frequently bought. Therefore, a consumer durable such as a dishwasher could increase a consumer's level of involvement if he/she perceives that the product heterogeneity, risk and price are high. Laurent and Kapferer (1985: 42) add that when the product price is high, such as with household appliances and consumer electronics, consumers are more likely to be involved because the risks of a mispurchase increase.

Interestingly, Laurent and Kapferer (1985: 41-43, 52) believe that the relationship between a consumer and a product category should be described through an involvement profile, which constitutes of multiple facets rather than perceiving consumers' involvement as a single indicator of behavior. In order to predict behavior

the involvement level must be known for all facets, since different facets affect consumer behavior in different ways. Understanding the whole involvement profile will allow marketers to segment markets as well as develop advertising and communication strategies that appeal to the target audience.

Furthermore, a positive relationship has been found between involvement level and *knowledge*; a higher degree of involvement means a greater amount of knowledge about the product class (Miquel et al. 2002: 13). Baltas (1997: 320) has found that when consumers are highly involved with a specific product group they tend to experiment with different brands. This allows consumers to gain more knowledge about the product category as well as form more confident opinions towards the different alternatives. However, higher category involvement has been shown to decrease the likelihood that a consumer will choose a private label from the given alternatives.

Miquel et al. (2002: 13) came to a somewhat different conclusion than Baltas but their findings also reinforced Baltas's findings. Miquel et al. (2002: 13) found that the more knowledge consumers have about a product class the greater the likelihood that they will choose the private label brand. Nevertheless, the customer is less likely to choose the private label option if he/she observes that differences exist in favor of the manufacturer's brand. Therefore, this means that in a situation where the consumer has a high level of knowledge about the product category and does not recognize differences between brands the private label alternative would be preferred.

Figure 2 illustrates how personal involvement with a product category can condition a consumer to choose a private label brand from the store shelf. Miquel et al. (2002: 12-13) portray that individual choice behavior of private labels is affected by the consumer's level of involvement with the product category. However, this influence on the purchase decision is indirect. Whether this effect is positive or negative is dictated by the other variables in the figure, which are *the number of brands*, *the number of attributes*, *product category knowledge* and *perception of differences between brands*.

As portrayed in figure 2, the degree of product category knowledge is directly related to the number of brands evaluated during a purchasing choice as well as the number of product attributes being taken into account during this decision process. Therefore, a higher degree of product category knowledge leads to a higher chance of choosing a private label alternative. However, if differences are observed in favor of the

manufacturer's brand due to greater knowledge of the product category, then, as a result the private label option will be less likely to be chosen. (Miquel et al. 2002: 13.)

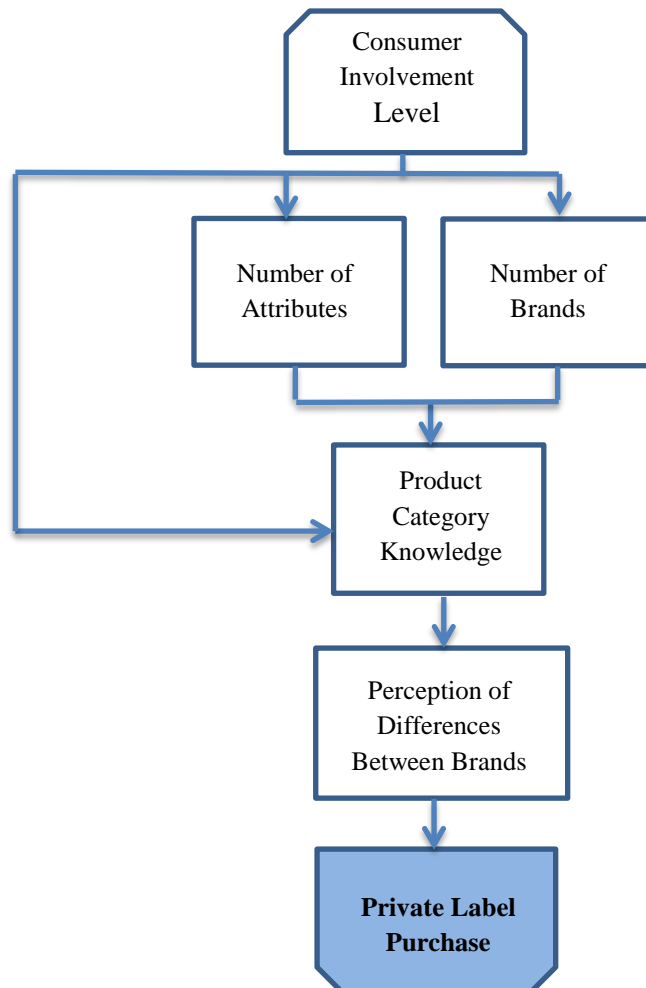


Figure 2. Relationship between variables (adapted from Miquel et al. 2002: 12).

Figure 2 ultimately shows that consumers will choose and categorize brands according to the amount of knowledge they have about the product category and whether they have observed meaningful differences between alternative solutions. Therefore, these findings suggest that retailers should reduce the perceived differences between private labels and manufacturers' brands as much as possible. (Miquel et al. 2002: 13-14.) By positioning private labels as equals in quality to manufacturers' brands, retailers can compete more effectively against manufacturers' brands even in product groups that

have a high perceived risk and a high product price, such as in household appliances and consumer electronics. Next, consumers' personal values and how they affect individual choice behavior, and thus brand categorizations are discussed in the following chapter.

2.3.2. Personal values affecting brand choice

“Values have been shown to be a powerful force in governing the behavior of individuals in all aspects of their lives” (Gutman 1982: 60). Even though consumers might not continually be aware of the impact values have over their decisions, values ultimately determine product and brand choices on a daily basis. Therefore, it is important to understand what values are and how they are formed. According to Solomon (2009: 173) an individual's personal value can be described as a belief that a certain situation or outcome is more desirable than its opposite.

On the other hand, Kotler et al. (2009: 236) describe personal values as concepts that are created by an individual's belief system, and which in turn is affected by behaviors and attitudes. Values run a lot deeper than attitudes and behavior. In the long term personal values act as guiding principles for consumers when making purchase decisions. Furthermore, another important perspective on value is Milton Rokeach's (1973: 5) psychological perspective on values from the standpoint of personal motives and attitudes. He defines a value as:

*“a centrally held, enduring belief which guides actions
and judgments across specific situations and beyond
immediate goals to more ultimate end-states of existence.”*

These values defined by Rokeach can be divided into instrumental and terminal values. Terminal values are defined as desired end-states that consumers try to reach whereas instrumental values include actions such as consumption behaviors that help consumers to achieve these terminal values (Solomon 2009: 177.) Moreover, it has been shown that the goals that individuals choose to strive for are generated by values and the methods utilized to achieve these goals are also affected by values (Vinson, Scott & Lamont 1977: 45). Therefore, consumers' value-related goals direct their purchases of products and services.

In addition, Kotler et al. (2009: 236) suggest that values and norms are adopted gradually from other individuals in a culture either by communicating directly with

other people or indirectly by observing the behavior of others. However, they stress that all individuals have independent feelings and thoughts as well, which in turn shape the set of values a consumer adopts from other individuals in a culture.

Vinson et al.'s (1977: 45-46, 50) conceptualization of an individual's value system builds on this concept. They suggest that value adoption is linked to a socio-cultural process where values are learned socially as well as culturally. They believe that values can be categorized into three levels, which form an individual's value system: 1) *global values*, 2) *domain-specific values* and 3) *evaluative beliefs*.

Values move on a scale from more centrally held values to less centrally held values and beliefs. *Global values* can be described as common values that are lasting and centrally held. They form the core of an individual's value system and have an important role in guiding significant choices and evaluations a person makes. On the other hand, *domain-specific values* are acquired through experiences in different situations and environments. For instance, social values are formed by interacting with family and reference groups whereas values specific to purchasing are formed by taking part in consumption activities and commercial exchange. (Vinson et al. 1977: 45-46.)

Finally, at the other end of the scale are an individual's *evaluative beliefs* about product attributes. These beliefs can be influential but are less centrally held. This group of values includes many types of beliefs but also opinions about specific brands and desired product attributes. The domain-specific values link together individuals' global values and less closely held evaluative beliefs about product and brand attributes. Therefore, these value categories do not function as separate entities but are interconnected and continually influence one another. Finally, it is also important to note that individuals only have dozens of global values but can have thousands of evaluative beliefs about product and brand attributes. (Vinson et al. 1977: 45-46.) The next section will examine brand related factors that affect private label categorizations.

2.4. Brand related factors influencing private label categorizations

The third group of variables that influence private label categorizations are called brand related factors. These include consumer confidence and brand familiarity, consumers' brand associations as well as consumers' brand attitudes. First we will discuss how consumer confidence and brand familiarity affect individual choice behavior.

2.4.1. Consumer confidence and brand familiarity

Consumers purchase intentions and brand choices are positively affected by the individual's confidence in making brand evaluations. Confidence can be defined as the degree of certainty an individual has when making evaluative judgments of a brand and being certain that these evaluations are correct. There are two types of confidence: 1) *choice confidence* and 2) *knowledge confidence*. *Choice confidence* illustrates how confident or certain a consumer is with the product or brand choice they are making, while *knowledge confidence* implies how much a consumer knows about the available brand alternatives and how certain he/she is of this knowledge. Knowledge confidence can include information about available attributes, how significant such attributes are and the performance level of each brand on these attributes. (Laroche, Kim & Zhou 1996: 115-116, 120.)

Furthermore, since private labels have often been categorized as “risky” alternatives, *product familiarity* has a significant impact on private label choice. Familiarity refers to the amount of information a consumer has for example about a private label brand. This knowledge is acquired through product experiences, which could include being exposed to marketing activities as well as utilizing and being in contact with these products (Baltas 1997: 320.) In his study Simonson (1992: 111-112) found out that in a purchasing situation consumers were more likely to select the more familiar brand from the store shelf because they wanted to anticipate the regret and disappointment they would feel if they found out later that the cheaper alternative brand was inferior to the more expensive brand. Interestingly, however, Simonson's study also showed that consumers would be even more disappointed if they selected the more expensive brand and found out later that it was not superior in relation to the cheaper brand alternative. For retailers, this could mean that if they were able to convince consumers that private label brands are not inferior to more expensive offerings, they could increase private label proneness.

Also, Laroche et al. (1996: 120) confirm that a positive link has been found between confidence and familiarity with a brand. They suggest that as consumers' familiarity/experience with a brand increases their confidence level with that brand also increases. Familiarity also has a direct link to perceived risk. (Baltas 1997: 320.) Therefore, an increase in familiarity equals a decrease in the risk perceived by consumers when buying private labels.

Furthermore, Baltas (1997: 320) states that the quantity and frequency of purchases of a product in a specific product class has a positive effect on private label proneness. Laroche et al. (1997: 116) recognize that repeated exposure to a brand or product category would have a positive effect on consumers' attitudes towards that brand or product class. Finally, Newman & Staelin (1972: 251) also mention that during a purchasing decision consumers are more likely to think of brands they know first. However, if their previous brand experience was negative they are more open to information about other alternative brands. This shows the weight of the familiarity variable in influencing individual choice behavior. For instance, familiarity can be enough for customers to choose the private label option from the store shelf when considering inexpensive goods that are used on a regular basis.

In the next section consumers' brand associations will be discussed and their effect on individual choice behavior will be analyzed.

2.4.2. Consumers' brand associations

Cheng-Hsui Chen (2001: 440) states that consumers' purchase decisions and brand loyalty are based on brand associations. Kotler et al. (2009: 241) state that “ *brand associations consist of all brand-related thoughts, feelings, perceptions, images, experiences, beliefs, attitudes, and so on that become linked to the brand node.*” A brand node in a person's memory can have a simple unique association linked to it or numerous associations that are all connected (Cheng-Hsui Chen 2001: 439).

According to a HAM theory the knowledge of a brand is stored as individual pieces of brand information in the consumer's memory and a complex associative network of the brand is formed once these separate pieces of brand information are connected together (French & Smith 2013: 1357). In other words, brand knowledge is a network of nodes and links in an individual's memory about a specific brand. The amount that an individual can recall about a brand is directly related to the strength of the associations towards the brand and how these associations are organized in memory. (Kotler et al. 2009: 241.)

Brand associations form the core of decision making. They provide consumers with a reason to purchase, help to build positive feelings and attitudes towards the brand as well as help consumers in processing, organizing and retrieving information in memory.

Brand associations also aid organizations in differentiating a brand and help in the creation of brand extensions. There are many types of brand associations. They can directly relate to the product characteristics or they can be elements that are not part of the actual product. (Cheng-Hsui Chen 2001: 440; French & Smith 2013: 1357.)

In general, brand associations are connected to product-related dimensions but in his study Cheng-Hsui Chen (2001: 440, 442) also takes into account how organizational associations affect the way consumers' respond to products. Therefore, consumers' brand associations can be classified into two groups; *product associations* and *organizational associations*.

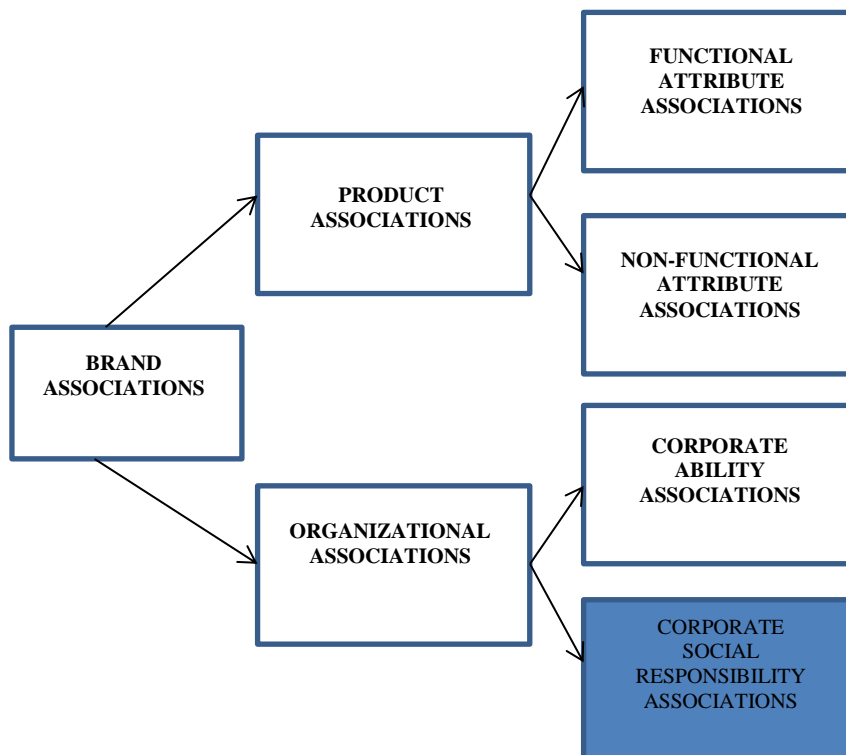


Figure 3. Dimensions of brand association (adapted from Cheng-Hsui Chen 2001: 443, 448).

Figure 3 portrays that product associations constitute from *functional attribute associations* and from *non-functional attribute associations*. Functional attribute associations include aspects such as perceived quality, product features and functional advantages whereas non-functional attribute associations relate to price and value,

emotional associations, user and usage situations as well as symbolic associations. On the other hand, organizational associations constitute from *corporate ability associations* which refer to the business's competence in generating and supplying its market offering. These include elements such as customer orientation, manufacturing skills, employees' expertise, technological innovation, competence in research and development, and so forth. (Cheng-Hsui Chen 2001: 443.)

As figure 3 shows organizational associations were originally divided into two dimensions with the other being corporate social responsibility associations. This relates to the activities and status of a business towards its perceived societal obligations. (Cheng-Hsui Chen 2001: 443.) It was initially hypothesized that this dimension would have an effect on consumers' brand associations but Cheng-Hsui Chen's (2001: 445, 448) empirical study concluded that this specific dimension of brand associations was almost absent in the subjects' mentioned associations; only four subjects out of 200 referred to this type of association. Therefore, the results indicate that an organization's actions towards social responsibility are difficult for consumers to determine and verify as being true.

Overall, the literature review reveals that brand associations have an impact on individual choice behavior. Empirical findings indicate that all the dimensions in figure 3 affect consumers' brand associations. However, the amount by which they impact individual associations differs on the basis of how favorably a person evaluates each dimension. (Cheng-Hsui Chen 2001: 443, 446-448.) French and Smith (2013: 1358) further state that all brand associations are not equally important to an individual. The uniqueness, strength and how favorably an association is evaluated all affect the superiority of a brand in a product class. The next section will examine the effects of consumers' brand attitudes towards private label categorizations.

2.4.3. Consumers' brand attitudes

An attitude is the overall evaluations that a consumer has about a specific concept. An attitude is formed based on the personal relevance of the concept for the individual. (Peter & Olson 2008: 130.) Attitudes include emotional feelings, evaluations that are either favorable or unfavorable and actions towards an idea or object. In general, individuals form and have attitudes towards almost everything such as politics, food, universities, brands, religion, product categories, and so forth. (Kotler et al. 2009: 249.)

Therefore, the way a person behaves towards a situation or object is defined by the individual's attitudes towards that concept.

Attitudes are stored in memory and when an individual has to evaluate a similar concept again he/she activates the existing attitude from memory. This existing attitude is then used to evaluate new information (Peter & Olson 2008: 130). This is in line with Kotler et al.'s (2009: 249) suggestion that attitudes guide consumers mentally to act in a consistent way when presented with similar concepts. Therefore, consumers' evaluations of new information, such as a new private label in a product class, are determined by existing attitudes towards similar concepts and also by how accessible these attitudes are.

Brand attitudes impact consumers' categorizations of brands because forming an attitude involves evaluating the concept. For instance, blind taste test are a good example of how strong brand attitudes can be in influencing individual judgments and evaluations of a product; the way a food tastes can vary greatly depending on whether the brand is visible or not.

Since individuals have an attitude towards all types of concepts, whether they are positive, negative or neutral (Peter & Olson 2008: 131), attitudes have a direct impact on how consumers perceive a brand and how it positions in consumers' minds. Since previous research illustrates that individuals' existing attitudes are very difficult to change (Kotler et al. 2009: 249) companies have been recommended to match their products and services to existing consumer attitudes, rather than trying to change them.

The final section of this chapter will provide a summary of the factors that influence private label categorizations.

2.5. Summary of the factors influencing private label categorizations

The pre-understanding section of this study has shown that strategic brand positioning is as important for private labels as it is for manufacturers' brands. In the current market environment it is vital that businesses know who their customers are and how they behave. Therefore, it is critical for the survival of retailers that they understand their customers so that they can adjust their offer to the existing demand. This means that

retailers have to acquire information about consumer behavior in order to be able to position their private label brands effectively.

A retailer needs to actively differentiate its private label offering from the competition by positioning the brand in the minds of consumers. Therefore, the retailer needs to find a unique proposition that is credibly and meaningful to a target customer segment. Once a strong position is achieved in the minds of target customers, the retailer needs to develop and maintain this position, and at the same time not forgetting that the market environment and consumers' perceptions change constantly.

Furthermore, consumers evaluate brands by categorizing them in their minds. By understanding how consumers categorize brands in a product class we can understand how a specific brand positions in the minds of consumers. However, categorizing and evaluating brands into distinct groups does not happen in a vacuum but rather is affected by many different variables. The pre-understanding section of this study divided the eight factors that influence consumers' private label categorizations into three groups: 1) product related factors, 2) consumer related factors, and 3) brand related factors.

The first group, product related factors, included the price of the product, perceived product quality, and perceived risk. The literature review showed that perceived relative price has a considerable positive relationship with perceived product quality and with perceived product value. This could suggest that retailers should concentrate more on the quality perspective rather than on low prices, especially with product categories that have "big ticket" items, since consumers may perceive a low price as an indicator of poor quality and value. Also, according to the literature review perceived risk is a great factor in determining individual choice behavior. Retailers should do everything in their power to decrease the risk felt towards their private label brand. Overall, it is paramount that in the household appliances and consumer electronics industry the retailer understands the role of price, perceived quality and perceived risk and how they affect individual choice behavior, in order to position a private label in the consumers' minds effectively.

The second group, consumer related factors, included consumers' level of involvement and personal values affecting brand choice. Previous research has shown that consumers' level of involvement with a product category is directly linked with brand categorizations. Consumers' level of involvement increases when product

heterogeneity, risk and price are high, since the chance of making a mispurchase increase. The literature review also illustrated that with “big ticket” items retailers should reduce the perceived differences between private labels and manufacturers’ brands as much as possible. By positioning private labels as equals in quality to manufacturers’ brands, retailers can compete more effectively against manufacturers’ brands even in product groups that have a high perceived risk and a high product price.

Furthermore, the literature review showed some of the ways in which consumers’ personal values direct their individual choice behavior. For example, consumers’ value-related goals direct their purchases of products and services. Also, an individual’s value system is built in such a way that the evaluative beliefs about product attributes and brands are inter-connected with the person’s global values and domain-specific values, thus, continually influencing one another. The retailer of private labels should acknowledge that personal values influence a customer’s individual choice behavior and should adapt the offering to match the values that consumers seek for in products.

Finally, the third group, brand related factors, included consumer confidence and brand familiarity, consumers’ brand associations, and consumers’ brand attitudes. According to previous research a positive link has been found between confidence and familiarity with a brand. Therefore, as consumers familiarity/experience with a brand increases their confidence level with that brand also increases. Higher brand familiarity has also been shown to decrease consumers’ perceived risk with a product. In addition, attitudes have a direct impact on how consumers perceive a brand and how it positions in consumers’ minds. Interestingly, previous research implies that attitudes guide consumers mentally to act in a consistent way when presented with similar concepts. Therefore, this would suggest that consumers will evaluate an unfamiliar brand in a product category according to their existing attitudes towards a similar type of situation.

Also, previous research indicates that brand associations form the core of decision making. They provide consumers with a reason to purchase and help to build positive feelings and attitudes towards a specific brand. However, it is good to remember that not all brand associations are equally important to an individual. Interestingly, the results from the literature review could imply that brand familiarity helps to create brand associations for consumers, which in turn help to build positive attitudes towards a brand. This could reinforce the fact that brand familiarity is very important and has a crucial role in positioning a private label brand effectively in consumers’ minds.

Overall, the literature review illustrates that it is vital for the retailer to position the private label in the consumers' minds in a meaningful way that convinces them of the brand's value. The only way to do this however, is to first understand how consumers categorize brands as well as acknowledge which characteristics are the most and least important for consumers in a specific category.

3. RESEARCH METHODOLOGY

The research methodology section will first define what is being researched and then describe the research methodology and method chosen for this study. This will include justifying why the chosen method was suitable for this empirical study. Then the validity and reliability of the study is analyzed in detail and finally, at the end of the chapter a thorough explanation is presented of how the research method was implemented in practice and what techniques were used in the interpretation of results.

The aim of the empirical section of the study is to firstly, determine how consumers categorize Gigantti's private label brand in different product classes and secondly, to understand the personal meanings and values that guide consumers in their product categorizations. By discovering the meanings that consumers relate to the Sandstrøm brand as well as to the product category as a whole will help in recognizing how the Sandstrøm brand positions in the minds of consumers in relation to competing brands. Furthermore, the purpose is to understand whether the meanings consumers relate to the Sandstrøm brand differ between product classes. In other words, it will be interesting to find out whether consumers categorize the Sandstrøm brand differently depending on the product category in questions and if so, identifying the reasons for these differences.

The research problem of the study directs the researcher in selecting the most suitable methodology and method for the research (Silverman 2000: 1; Hirsjärvi & Hurme 2001: 27). The study requires the collection of qualitative data, since the purpose of the paper is to identify the structural meanings and values that are associated with the Sandstrøm brand. These meanings and values are best determined by utilizing qualitative in-depth interviews as a research method. Hirsjärvi and Hurme (2001: 22) further state that the main focus of qualitative research is on discovering meanings and deeper associations.

Qualitative research is based on the idea that reality does not exist in one form but that there are a number of realities and each individual understands that reality in their own way by how they have experienced it. Qualitative research is best characterized contextually, through interpretation and by understanding the viewpoint of individuals. (Hirsjärvi & Hurme 2001: 22–24.) Mason (1996: 4) also states that the holistic analysis and explanation of the phenomenon is part of qualitative research. The purpose is to obtain information that is precise and thorough in order to build a comprehensive understanding of the phenomenon in question.

3.1. Data collection accomplished by in-depth interviews

An interview can be described as a flexible research method that is suitable for many different purposes. It refers to a research method where information is collected by questioning the chosen subjects for their viewpoints about the phenomenon being researched and receiving the answers in spoken format. Furthermore, an interview can be labelled as a social interaction but it is pre-planned and has a specific end-goal or purpose, which makes it distinct from a normal conversation. (Hirsjärvi & Hurme 2001: 14, 41-42.)

In addition, Hirsjärvi and Hurme (2001: 46) state that the aim of in-depth interviews is to guide the respondent to reconstruct the experiences that he/she has had with the phenomenon in question for the researcher. Such interviews are especially suited for situations that are sensitive by nature, events or occurrences from the past and personal meanings that individuals are not consciously aware of (Aaltola & Valli 2007: 44). The aim of this study was to understand the meanings and deeper values that consumers associate with the Sandstrøm brand. In-depth interviews are therefore necessary in order to access the subject's deeper knowledge structures that direct behaviour and which the subject might not even be consciously aware of.

3.2. Laddering technique based on the Means-End Theory

The laddering interviewing technique is a process that is sometimes utilized in connection with in-depth interviews. The laddering technique allows the researcher to uncover means-end hierarchies, which constitute from attributes, consequences and values as well as the connections between these elements. The laddering technique is based on the idea that consumers desire certain consequences from products that are determined by their own personal values. According to this idea consumers learn to acquire products that consist of specific attributes, which allow them to gain these wanted consequences. (Reynolds & Gutman 1988: 11-12.)

Means-End Theory forms the basis for the laddering technique. The purpose of the Means-End Theory is to build a bridge between product attributes, wanted consequences and personal values. In other words, a relationship is formed between

perceived product attributes, the wanted consequences that derive from these attributes and consumers' personal values that guide these wanted consequences. Ultimately these relationships form links that are called means-end chains. (Reynolds & Gutman 1988: 11-12.) The laddering technique is unique because the data is collected in a qualitative way but it allows the researcher to illustrate the research results in a quantitative format. (Laaksonen & Leminen 1996: 14, 17.)

Moreover, the laddering technique also allows consumers to categorize products in a more personally relevant way. It helps the researcher to understand at a deeper level why a specific attribute on a product or a certain consequence is important to consumers. Therefore, the means-end chains or association networks provided by the laddering technique help the researcher to differentiate between various products in a product group. Conclusively, the laddering technique allows the researcher to understand consumers personal motives regarding a specific product class and thus, the results can be very helpful in developing new or existing product and brand positioning strategies. (Reynolds & Gutman 1988: 12-13.)

However, Brandi Sørensen and Askegaard present a more critical approach to the laddering interviewing technique in their scientific paper called *"Laddering: How (not) to do things with words"*, which specifies some of the limitations related to this type of consumer interviewing technique. Brandi Sørensen and Askegaard (2007: 75-76) state that one limitation to the laddering technique is the fact that it is highly susceptible to situational circumstances. These consist of the affective state of the interviewee, the social environment as well as public and mediated discourses. Furthermore, another limitation includes the fact that the laddering technique does not hold the respondent responsible for his/her answers, which is a problem with many other questioning techniques as well. Therefore, there is no way of correcting the value systems that are suggested by the respondent during an interview. Brandi Sørensen and Askegaard (2007: 75-76) finish by explaining that even though the laddering technique may be able to obtain means-end hierarchies from the consumer's mind, the interviewing technique is mainly instrumental in providing an accessible and quick overview of the associative networks between the consumer's life and specific products.

Next, we will portray the components that create the means-end chains, after which a detailed description is given about these elements. Figure 4 below illustrates a means-end chain.

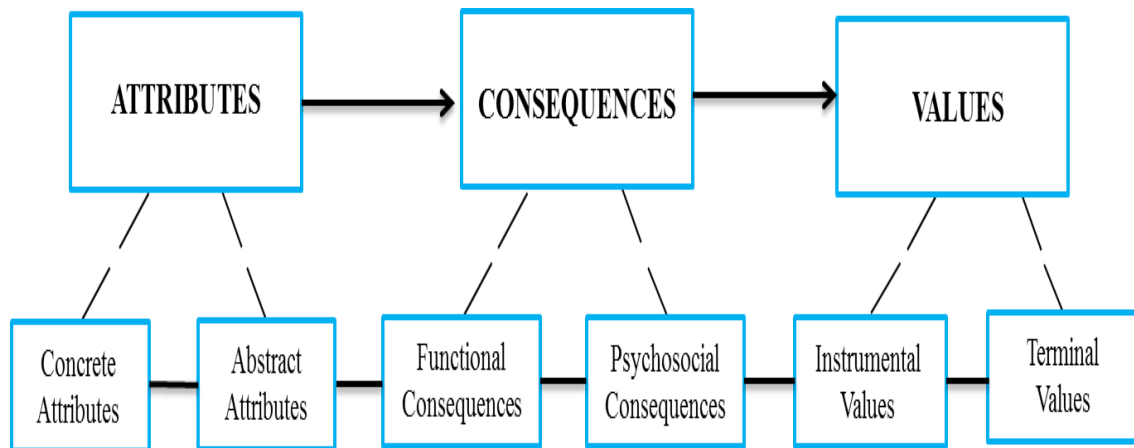


Figure 4. Means-end chain (adapted from Laaksonen & Leminen 1996; Peter & Olson 2008).

Figure 4 illustrates that consumers' knowledge structures constitute from three different levels of abstraction which together form a means-end chain. These three stages are called *attributes*, *consequences* and *values*. On the first level are product *attributes* that can be both tangible and concrete such as the color and price of a product or intangible and abstract such as the performance and quality of a good. Tangible attributes represent cognitive descriptions of the physical characteristics of a product and they can be identified by utilizing the human senses. On the other hand, intangible product features are subjective interpretations of a product that an individual cannot observe with his/her senses. They are the sum of many concrete or tangible product attributes and cannot be measured. (Laaksonen & Leminen 1996: 15-16.)

Furthermore, the second level of the means-end chain consists of *consequences*. These are the consequences that derive from the use of the product. In other words, consequences are what the product does for the consumer. They can be classified as being functional, psychological or social. Functional consequences are immediate and visible and they are formed directly when using the product (e.g. this toothpaste makes my teeth clean and shiny). Psychological consequences on the other hand illustrate how an individual feels when using the product (e.g. I will have fresh breath), whereas social consequences describe how others perceive an individual when that individual consumes the product (e.g. my friends will want to be close to me). (Laaksonen & Leminen 1996: 15-16.)

Finally, on the third level of the means-end chain are *values*. Values can be described as being either instrumental or terminal. Instrumental values concentrate on actions and behavioral patterns that an individual wants to adopt into his/her own behaviour (e.g. I will be clean when I use this toothpaste). Moreover, they are values that allow an individual to achieve his/her terminal values (e.g. I will be happy). Terminal values can be best described as end-states that consumers want to strive for in their lives and therefore instrumental values act as a means for individuals to accomplish their terminal values. (Laaksonen & Leminen 1996: 15-17.)

The laddering interviewing technique was chosen as a research approach for this paper because the procedure is well-suited for determining how the Sandstrøm brand positions in the minds of consumers. The technique allows the researcher to form means-end chains between product attributes and personal values, which have been in turn identified as directing consumers individual choice behaviour in a given product category. Therefore, the laddering technique allows the researcher to uncover the meanings that are associated with the Sandstrøm brand and with the whole product class, which can be used by marketing management in developing brand positioning strategies. In the following section the validity and reliability of this research paper is discussed in depth.

3.3. Validity and reliability of the study

Validity and reliability are classic evaluation criteria utilized commonly with quantitative research. Validity refers to the extent to which the research results and conclusions correspond to reality. In other words, the phenomenon being studied has to be accurately represented in the research results and these findings are backed up by evidence. Therefore, if the research findings are true and certain they can be said to be valid. On the other hand, reliability refers to the extent to which a procedure or measure will provide the same results on repeated trials. Therefore, reliability relates to the degree of consistency in research, meaning that if another researcher was to replicate the study he/she would attain similar findings. (Eriksson & Kovalainen 2010: 292; Syrjälä & Halkoaho 2013: 4.)

However, it is problematic due to the nature of qualitative research to evaluate it according to the same criteria as quantitative research. Eriksson and Kovalainen (2010:

294) state that in qualitative research the general concepts of validity and reliability can be substituted for a parallel approach called *trustworthiness*. The trustworthiness of qualitative research can be assessed through the following four elements: 1) credibility, 2) transferability, 3) dependability, and 4) confirmability.

Credibility in qualitative research refers to the extent to which the research results and conclusion are believable (for example from the respondents' viewpoint). This means that the researcher has to contemplate his familiarity with the topic and consider how logical and strong the created links between research categories and observations are. Also, the researcher has to know whether the data is adequate enough for the conclusions made in the research and acknowledge whether another researcher can come up with similar results as well as agree with the research conclusions by using the study's research materials. (Eriksson & Kovalainen 2010: 292; Syrjälä & Halkoaho 2013: 4.)

In qualitative research the chances of making incorrect interpretations and conclusions from the research data are a lot higher compared to quantitative research. This is because in qualitative studies the researcher is increasingly more a part of the research process. Therefore, the research results always include some form of interpretation (Syrjälä & Halkoaho 2013: 4). Hence, it is paramount that the researcher does not form personal assumptions or outcomes for the study in advance and keeps the mind open to research results. At the same time however, the researcher should remember the purpose and objectives of the study which guide the analysis of the research results.

In this study, the research results and conclusions have been formed based on the research theory as well as on the empirical data collected during interviews. The study illustrates clearly and in a precise manner respondents direct quotations from the researcher's own interpretations and perceptions, and in doing so the reader is able to recognize them from one another. Also, the laddering interviewing technique determines a set procedure for analyzing the research results. The data collected during the interviews is analyzed utilizing a standard content-analysis process, which is described in detail in the following section.

Also, *transferability* in qualitative research refers to the extent to which the research or parts of it have some sort of similarity with other conducted research. The aspect of transferability refers to whether the research results can be transferred into another context. Therefore, the key, here, is to produce a connection between your research and

previous results. Furthermore, *dependability* in qualitative research refers to the research process and how logical and traceable it is. Therefore, the researcher's responsibility is to document the research process in a logical and traceable manner and offer this information to readers. (Eriksson & Kovalainen 2010: 292; Syrjälä & Halkoaho 2013: 4.)

In this study the transparency of the research process was improved by documenting the research process in full and aiming for a high accuracy rate throughout the study. The research process was documented in great detail by justifying the made decisions at every step of the research process and during the analysis of results. Also, the researcher made sure that the purpose and objectives of the research paper guided the choices made during the study every time.

Finally, the fourth element of trustworthiness is *conformability*. Conformability in qualitative research refers to the extent to which the research results and interpretations have been linked to the data, so that others can easily understand these connections. Thus, showing that the research results and interpretations are not just the researcher's imagination. (Eriksson & Kovalainen 2010: 292; Syrjälä & Halkoaho 2013: 4.)

In this study, the reliability was improved by recording all conducted interviews and transcribing in detail the spoken language afterwards. This was done to verify that the material was analyzed and interpreted accurately and that the underlying meanings and values provided by the interviewees were transferred to the research results unchanged. The fact that the respondents' direct quotations had to be translated into English for the purpose of this study meant that the chances of making a misinterpretation increased. However, extreme accuracy was taken when making these translations in order to preserve the intended meanings. The next section will describe in detail how the interviews were implemented in practice as well as the techniques used in the analyses of data.

3.4. Implementation of the laddering interviewing technique and methods used in analyzing research results

This empirical study concentrates on four distinct product categories in the household appliances and consumer electronics industry. Since this study concentrates on understanding how consumers categorize Gigantti's private label brand in different

product categories, it was highly important that the chosen four product classes were product groups that the Sandstrøm brand was represented in. Also, due to the nature of this study it was essential that the chosen product groups included the following: 1) a product class that represents a “big ticket item”, 2) a household product category that is more affordable, 3) a product group that all consumers may not find a necessity, and 4) a product category from the consumer electronics market. Furthermore, another challenge was to find products classes that were familiar to all age groups and both sexes. Therefore, the four chosen product categories were: 1) dishwashers, 2) microwave ovens, 3) coffee machines, and 4) portable DVD-players.

Moreover, in this study five to six different brands were selected to represent each product class with one of the brands being Sandstrøm in each case. The other brands were chosen according to how different they were from the Sandstrøm brand and its product attributes. It was important that the chosen brands were as different from the Sandstrøm offering as possible. The factors that influence private label categorizations, which were discussed in the pre-understanding section of this study, guided these brand choices. Therefore, product related factors, consumer related factors and brand related factors were all considered when choosing specific brands to represent a product category. Table 1 illustrates the chosen brands for each product group.

Table 1. List of brands in each product category used in the study.

Dishwashers	Microwave Ovens	Coffee Machines	Portable DVD-Players
Miele	Siemens	Moccamaster	Sony
Sandstrøm	Sandstrøm	Bosch	Sandstrøm
Samsung	Whirlpool	Philips	Philips
Bosch	Bosch	Electrolux	Nextbase
Whirlpool	Samsung	OBH Nordica	Hitachi
	Electrolux	Sandstrøm	

Firstly, the Whirlpool brand and the Electrolux brand were chosen because they represent low priced and low quality items, but their brand familiarity is higher compared Sandstrøm. Secondly, Bosch, Miele and Siemens were all chosen because they represent top brands in the household appliances industry. Their products are higher priced with distinct brand images and the perceived product quality of these

brands is high. In the dishwasher product category Miele represented the highest priced item with the largest range of attributes, whereas in the microwave oven product group Siemens was the highest priced product with distinct attributes. Thirdly, the Samsung brand was chosen, because, even though Samsung products are relatively close to the Sandstrøm offering price-wise and according to the range of attributes, its brand related factors are very different from the Sandstrøm brand, which makes it an interesting brand option for the study.

Furthermore, the Moccamaster brand was chosen, because it represents one of the top brands according to brand familiarity and perceived product quality in the coffee machine product category. Also, the OBH Nordica brand was chosen, because, just like on the Sandstrøm coffee machine, the product includes an integrated grind mill feature but it is lower priced with a higher brand familiarity than the Sandstrøm brand. Further, the Philips brand was chosen for the coffee machine product category, because for a basic drip coffeemaker it was a little higher priced and included better features than the Electrolux product. On the other hand, in the portable DVD-player category the Philips product was chosen, because it included a more versatile range of features and the brand has a higher awareness rate compared to the Sandstrøm brand. Also, the Sony brand was chosen because it represents the top brand in the portable DVD-player category. It has the highest priced product and strong brand related factors. Finally, the Nextbase brand and the Hitachi brand were chosen, because their products represented the lower end of the price-scale in the portable DVD-player category. Similarly to the Sandstrøm brand, consumers are less aware of these brand names. However, their products included a smaller range of attributes than the Sandstrøm product, which makes them interesting brand options in the study.

Due to the nature and size of household appliances and consumer electronics, during the interviews the respondents were presented with product cards of the chosen brands in each product category instead of with the actual products. The product cards were made on A4 pieces of paper. A product card included the picture of the product and a description of the item with its price. The image on the product card was the same picture seen on Gigantti's own website. In addition, the description of the product included information that was available for consumers on the retailer's own website or at the retailer's own store (before being approached by a salesperson). This information was kept the same for all brands in a specific product category. An example of a product card for each product class can be found in the Appendices section.

Furthermore, in this study 8 people were interviewed altogether. Consumers who were considered to be Gigantti's target customers were selected as subjects for the in-depth interviews. Therefore, these consumers were men and women between the ages of 21 - 70, who work permanently and receive a regular salary/wage or who have worked and are now retired. Also, another requirement was that the subject has previous experience of purchasing household appliances and consumer electronics. The interviews were conducted between January 2014 and March 2014.

Interviewees for the study were selected using snowball sampling. This sampling method was chosen because according to Aaltola and Valli (2007: 50) the respondents should be determined based on their functionality or appropriateness for the study. The snowball sampling was executed as follows. Two consumers, who the researcher already knew and who corresponded to the target customer profile, were chosen for the study and the interviews were conducted with them. These two respondents then suggested three other consumers, who match the target customer profile, to be interviewed. With this information the researcher contacted these individuals, interviewed them, and finally asked for recommendations of other suitable people, and so forth. Table 2 portrays a list of the respondents who participated in these interviews.

Table 2. List of interviewed respondents.

Respondent	Sex	Age	Place of Residence
R1	Male	61 - 70	Hämeenlinna
R2	Male	31 - 40	Espoo
R3	Male	21 - 30	Helsinki
R4	Female	21 - 30	Helsinki
R5	Male	21 -30	Helsinki
R6	Female	21 - 30	Helsinki
R7	Male	21 - 30	Vantaa
R8	Male	51 - 60	Porvoo

The one-on-one interviews were implemented at a quiet place where subjects felt comfortable and "at ease", rather than being insecure. According to Aaltola & Valli (2007: 29) an interview is more likely to succeed if it is conducted at the subject's own home. Consequently, in this study all the interviews were organized at the subject's own

home in order to develop a trusting atmosphere for the interviews and improve the reliability of results. At the beginning of each interview the researcher stated the topic of the study and described what is being researched and why. In this case the real purpose of the study was kept as a secret from the interviewees in order to improve the reliability of the study. Therefore, a false research problem was given at the beginning of the interview. This was to ensure that knowing the aim of the study did not affect the subject's answers and that he/she did not attempt to give answers that were perceived as being "correct". Then, the researcher collected some basic background information about the respondent, which can be seen in Table 2. The background information included the following: sex, age and place of residence.

In addition, at the beginning of each interview the researcher established trust with the respondents by informing them that there are no right or wrong answers to the questions in the interview. The interviewer also mentions, that for the purpose of the research, it is vital for the respondents to include in their answers the most simplest of ideas or feelings, so that they can be utilized in the interpretation of results. This is important to mention since the researcher cannot make assumptions or include anything in the analysis section that is not mentioned by the interviewees. The purpose of the introduction phase of the interview was to awaken the interest of the consumer and act as an ice-breaker to the situation allowing the individual to relax and feel more confident.

In the next phase of the interview the researcher placed the product cards of a product category on the table in front of the respondent and requests that he/she familiarizes himself/herself with the information on the product cards. The product cards were always shuffled before an interview. This meant that the brands on the product cards of a particular product group were presented to the respondents in a different order each time. Once the interviewee was ready the researcher asked him/her to sort the product cards into as many groups as he/she wished. This method of sorting is called the *free sorting* approach which is part of the laddering technique to elicit distinctions. At this point the researcher reminded the respondent that the products in one group have to be similar in some way and therefore, differ in another way from products in other groups. For example, the subject may categorize the products into groups according to price. He/she may form two distinct groups; one with products that have high prices and the other with products that have low prices. Of course what constitutes as a high price and as a low price is determined by the interviewee.

Once finished with categorizing the product cards the respondent was asked to explain the similarities and differences between the formed groups. These mentioned distinctions formed the basis of the means-end chains. Thus, the interviewer takes one distinction at a time and begins to build these association networks from attributes to personal values by asking the question “why is this important to you?”. The researcher carries on with these *why* questions until the respondent can no longer answer the question. In the above example the subject may say that he/she categorized the brands by price. The distinction is then price. The interviewer would then ask the question “why is the price of the product important to you?”. Figure 5 illustrates an example of how the laddering interviewing technique was executed in practice.

Respondent: Firstly, I categorized them according to the model so whether they are built-in or free standing.

Interviewer: Ok then. Why is the model of the dishwasher important to you?

Respondent: Because I like it that it’s out of sight. So you can get it out of your sight and a built-in model is usually more quieter because it’s behind an extra door.

Interviewer: I see. Why is it important to you that the dishwasher is out of sight?

Respondent: It’s a peaceful and harmonious end result when you don’t have a lot extra doors and hatches and then the quietness of course. It’s aesthetic as well.

Figure 5. Example of an interview.

Once the interviewer has gone through all the distinctions mentioned by the respondent, the researcher moves on to the next product category and introduces the product cards for that product group. The same interviewing method was implemented here, and also with the last two product categories. The interviews were terminated once the collected data began to repeat itself and the findings did not present any new interpretations (Aaltola & Valli 2007: 56).

The interviews lasted approximately 45 minutes to one and a half hours depending on the interviewee. Preliminary interviews were also conducted, which enabled the researcher to practice interviewing skills beforehand as well as to receive feedback from test subjects on how to improve interviewing techniques. These preliminary interviews improved the reliability of the research results, since the laddering interviewing technique requires some experience and situational awareness from the interviewer.

Furthermore, the analysis of the laddering data included standard content-analysis procedures to analyze all of the elements from the ladders. Firstly, all of the responses across respondents were divided into attributes, consequences and values and were coded separately according to product category and level of abstraction. The responses that represented the same concept were coded under the same element, and each element was given its own code number.

The next step included constructing the ladders again, so that they corresponded to the codes given to their own product categories. The implication matrix was then formed from complete ladders, which illustrated the direct and indirect relations between different meanings. Finally, this implication matrix allowed the graphical presentation of the connections between elements in the form of hierarchical value maps i.e. summarizing all interviews across respondents. They are cognitive maps which display the linkages between the three different levels of abstraction (attributes-consequences-values). The dominant connections (connections mentioned by 3 or more respondents) were highlighted in bold in the hierarchical value maps.

The next section will discuss the research results of the empirical study.

4. RESEARCH RESULTS

The research results will illustrate the findings of this research paper. This chapter answers the second and third objectives of the study. The second objective of the research paper aims to understand how consumers categorize the Sandstrøm private label brand in different product categories. This is achieved by examining how consumers categorize Gigantti's private label brand in each product category and recognizing the underlying meanings, associations and personal values that are attached to these group formations.

Furthermore, the third objective of the research paper will be answered in the last section of the research results chapter. Essential to understanding how the Sandstrøm brand positions in the minds of consumers is to recognize the overall meanings linked to the brand. The third objective therefore, aims to identify and analyze the meanings linked to the Sandstrøm private label brand. This will be achieved by combining and analyzing information from the research findings with the information discovered in the theoretical pre-understanding of the study.

The research paper studies four different product categories that the Sandstrøm brand is represented in. These are dishwashers, microwave ovens, coffee machines and portable DVD-players. The research findings are presented separately for each product category. Each product class includes two hierarchical value maps of which one portrays the overall meanings linked to the product group and the other illustrates the specific meanings related to the Sandstrøm product. The means-end chains that respondents mentioned more than three times during the interviews (40% of respondents) have been highlighted in bold in the hierarchical value maps. Also, the research findings have been supported by respondents' direct quotations from the conducted interviews. These quotations have been written in *italics* in order to separate them from the rest of the text.

First we will examine how respondents categorized dishwashers and the meanings they related to this product category.

4.1. Respondents' categorizations of dishwashers

This section will concentrate on analyzing the results of how respondents categorized the dishwashers chosen for this study. In the conducted interviews five different dishwasher product cards were presented to the respondents. The chosen dishwashers are illustrated in table 3. In order to gain meaningful and interesting results it was important that the selected dishwashers were different according to brand, model, price, energy efficiency class and noise level.

Table 3. Dishwashers chosen for the study.

Brand	Model	Price	Energy efficiency class	Noise level
Whirlpool	Free standing	279 €	A+	51 dB
Sandstrøm	Integrated	449 €	A++	45 dB
Samsung	Free standing	499 €	A++	45 dB
Bosch	Integrated	999 €	A++	44 dB
Miele	Integrated	1399 €	A+++	44 dB

First we will examine the meanings linked to the dishwasher product category as a whole, after which the meanings related specifically to the Sandstrøm dishwasher will be analyzed.

4.1.1. Meanings linked to dishwashers

Figure 6 illustrates the means-end chains for dishwashers. It shows the attributes that respondents felt were meaningful in categorizing dishwashers, the consequences that these attributes provide them as well as the values the respondents related to these consequences.

In the dishwasher product category the respondents based their categorizations on the following *attributes*: 1) energy efficiency class, 2) noise level, 3) duration of the quick wash program, 4) dishwasher model, 5) price, 6) brand image, 7) brand awareness, 8) adjustable upper-shelf feature, and 9) delay-start feature. The results showed that all of the above attributes, except the adjustable upper-shelf feature and the delay-start feature, were mentioned a number of times during the interviews and were very important attributes for respondents when categorizing the dishwashers.

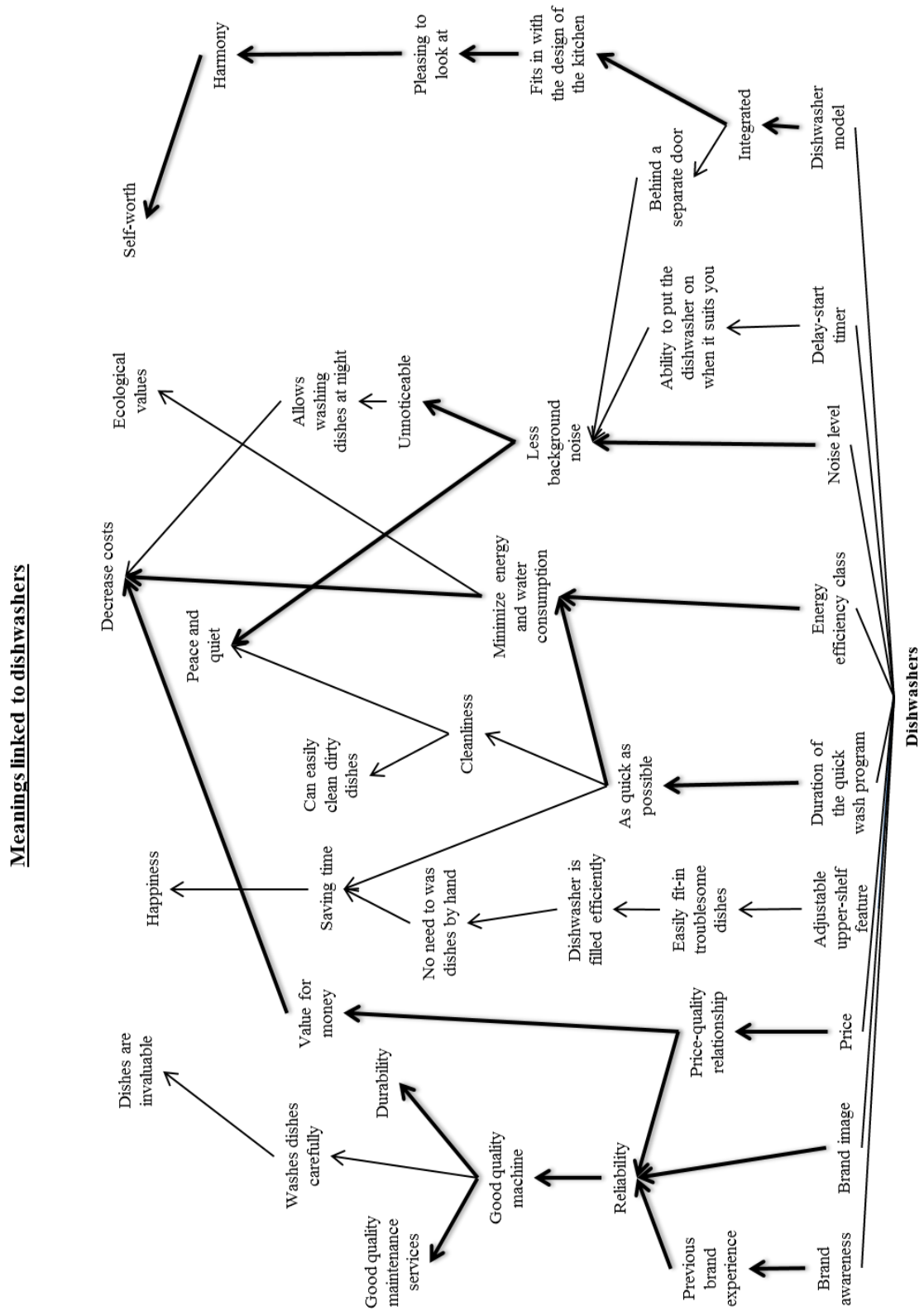


Figure 6. Hierarchical value map for dishwashers.

Firstly, respondents' categorizations were strongly affected by the energy efficiency class of the dishwasher. The energy efficiency class directly relates to how much the machine uses up energy during consumption and therefore, it also acts as an indicator of how much the appliance costs during usage. Most of the respondents mentioned that the energy efficiency class of the dishwasher is a determining factor in a purchasing situation.

"I categorized them according to the energy efficiency class. First I pay attention to the energy efficiency class, then I pay attention to other things. I'm interested in how much it consumes energy." (R1, m)

"I categorized them according to the model. The next most important criterion is the energy efficiency class." (R7, m)

Furthermore, another important attribute that affected respondents' categorizations was the noise level of the dishwasher. During the interviews respondents said that the lower the noise level of the dishwasher, the better the appliance. Most respondents felt that the noise level of the dishwasher is a critical factor in a purchasing situation and it would affect product choice to a great degree.

"The Miele dishwasher is the best out of all of these. It makes the least amount of noise." (R1, m)

"The quieter the better." (R7, m)

"Miele is almost silent, 40db washing is very quiet." (R6, f)

In addition, the quick wash program and the price of the dishwasher were meaningful attributes for respondents. Respondents paid attention to whether the appliance includes a quick wash program when categorizing the products and compared the duration of the quick wash program between the alternative product options. Interestingly, some respondents even felt that a 45 minute quick wash program was a lot longer than a 30 minute program. Most respondents wanted the duration of the quick wash program to be as rapid as possible. Also, many respondents mentioned that the price of the dishwasher affected their categorizations meaning how high or low the price of the appliance was.

“The duration of the quick wash program on Bosch is shorter (compared to Miele) which is an important factor. We mainly use it.” (R6, f)

“29 minutes on Bosch and 46 minutes on Miele, it’s quite a big difference. It’s totally different to get it in 20 minutes rather than in an hour.” (R1, m)

“I categorized them according to price. Group 1 (Sandstrøm, Whirlpool, Samsung) represent basic model dishwashers and Group 2 (Bosch, Miele) more upscale.” (R2, m)

“Group 3 (Miele) is so overpriced that I would never pay so much for a dishwasher. Too cheap then gives the impression that it’s not a good model.” (R3, m)

Also, another attribute that was considered to be very significant by a number of respondents was the dishwasher model attribute. There were two different models of dishwashers in this study; an integrated dishwasher model and a free standing dishwasher model. During the interviews most of the respondents mentioned that they preferred an integrated model.

“I categorized them by type in other words are they integrated or not.” (R6, f)

“Integration is also an important attribute.” (R8, m)

Moreover, two other important attributes that affected respondents’ categorizations were the brand image of the dishwasher and respondents’ brand awareness. The brand image and the level of brand awareness were very significant for many respondents in this product category. Therefore, respondents’ categorizations were greatly affected by how they perceive the brand image, how well they feel that they know the brand and what the dishwasher brand represents.

“Samsung without a doubt. The brand also affects my decision. It’s a familiar brand and I have previous experience with it.” (R7, m)

“The German brands, Group 1, would be the ones I would consider so Bosch or Miele.” (R6, f)

Finally, a few respondents also felt that the dishwasher’s adjustable upper-shelf feature and the delay-start feature were significant attributes when categorizing dishwashers. The adjustable upper-shelf feature allows the user to adjust the height of the upper-shelf in the dishwasher. In this study, only the Whirlpool dishwasher did not include an adjustable upper-shelf. Also, the delay-start feature on the dishwasher was mentioned as

a determining factor meaning that the user can set a time when the dishwasher turns itself on. In this study, all except the Whirlpool dishwasher included this attribute.

“The adjustable upper shelf is really important.” (R1, m)

“The delay-start feature is also an important attribute.” (R5, m)

Moreover, in the dishwasher product category the *consequences* that the above mentioned product attributes provided respondents included: 1) minimize energy and water consumption, 2) less background noise, 3) unnoticeable, 4) allows washing dishes at night, 5) saving time, 6) cleanliness, 7) can easily clean dirty dishes, 8) fits in with the design of the kitchen, 9) pleasing to look at, 10) behind a separate door, 11) previous brand experience, 12) reliability, 13) good quality machine, 14) durability, 15) washes dishes carefully, 16) good quality maintenance services, 17) price-quality relationship, 18) value-for-money, 19) easily fit troublesome dishes, 20) dishwasher is filled efficiently, 21) no need to wash dishes by hand, and 22) ability to put the dishwasher on when it suits you.

Most respondents mentioned in their answers that it is very important that the dishwasher uses as little energy and water as possible during usage. This was related to the consequence of minimizing the households overall energy and water consumption. The results indicate that respondents felt it necessary to monitor and follow their energy as well as water consumption and try to reduce it as much as possible. These consequences were directly related to the energy efficiency class and the quick wash program attributes.

“On a yearly basis there is quite a lot of difference between their usage rates.” (R1, m)

“Whirlpool’s energy efficiency class is too low and consumes water a lot.” (R4, f)

“The quick wash program doesn’t use up energy as much and water.” (R6, f)

Furthermore, most of the respondents mentioned that it is very important that the dishwasher is as quiet as possible. This was related to the consequence of having less background noise in the house and to the consequence of the dishwasher being unnoticeable. During the interviews many respondents said that they do not want to hear the dishwasher because the noise is annoying and distracting. Therefore, it was important for respondents that the dishwasher is as inconspicuous as possible. A few respondents also related the ability to wash dishes at night as a further consequence to

having a dishwasher that is unnoticeable and makes very little noise. All of these consequences were related to the noise level and the dishwasher model attributes.

“A dishwasher has to be unnoticeable, you don’t even notice that its running. If it makes loads of noise you will notice it. It distracts me from my normal routines. I can put it on during the night.” (R1, m)

“The noise is really irritating if its very loud. I can’t hear the television. Unnecessary background noise.” (R8, m)

In addition, other meaningful consequences that respondents mentioned in their answers were cleanliness and saving time which were related to the quick wash program attribute on the dishwasher. Respondents appreciated a clean and tidy kitchen and they felt that the quick wash program helps them to keep the house tidy. Some even said that the quick was program allows them to wash dishes after a meal quickly and efficiently and enables getting the dishes back into the cupboard as soon as possible. Therefore, saving time and keeping the house clean. These consequences were further related to the consequence of can easily clean dirty dishes. During the interviews respondents mentioned that their dishes are rarely so dirty that the quick wash program is not able to clean them properly, which therefore, justifies the use of the quick wash program even further.

“We have noticed that in our machine the quick was program washes almost as well as the longer ones and its over in half an hour. This way you can wash more often with the half an hour and then sometimes with a longer program if you have pans that are more dirty. It’s a really important attribute.” (R5, m)

“When the program is longer it consumes more energy and of course more time. My own time. I want the machine to give me clean dishes so that I don’t have to wait half a day for a clean plate.” (R1, m)

Also, most of the respondents mentioned in their answers that it is very important to have a kitchen that is well-designed and stylish. As a further consequence respondents felt that it is important to have a kitchen that is pleasing to look at, which is achieved when the kitchen is well-designed. The dishwasher is quite a big unit and in order to achieve a well-designed kitchen the style of the dishwasher has to fit in with the rest of the kitchen appliances. Furthermore, a few respondents also mentioned that since an integrated dishwasher model is built behind a separate door, an integrated dishwasher is

therefore more silent than a free standing model. The dishwasher model attribute was directly related to these consequences and the results indicate that most respondents preferred the integrated dishwasher model.

“Integration is also an important attribute. Depends on the décor situation but an integrated model is somehow more stylish. It’s quite a big unit so it should fit in with the rest of the kitchen. More pleasing to look at.” (R8, m)

“Because I like the fact that it’s out of sight. So you can’t see it and an integrated model is usually quieter because it’s behind a separate door.” (R6, f)

In addition, most of the respondents mentioned that it is very important for them to choose a dishwasher brand that they have previous experience of. This consequence was further related to the consequences of choosing a reliable appliance and a good quality machine. The respondents felt that a brand that they were more familiar with and had previous experience of was a safer option than an unfamiliar brand. Also, the results indicate that the respondents did not want to consider a dishwasher brand if they felt that the brand image was not appealing. This indicates that in this product category the brand awareness and image of the dishwasher has a direct effect on the perceived quality and reliability of the product. Furthermore, some respondents related the consequences of durability, ability to wash dishes carefully and good quality maintenance services with the consequence of a good quality machine. Therefore, respondents felt that an appliance that is of high quality is also more durable, it washes dishes correctly without them breaking and provides maintenance services that are of high quality as well. Respondents related these consequences with the brand image, brand awareness and price attributes.

“I connect brand familiarity with durability and reliability.” (R8, m)

“I would consider Group 1 (Bosch, Miele). I associate German brands with good quality and efficiency, overall the German quality. You assume that you will get a particular type of quality with the brand.” (R6, f)

“When the machine is of high quality it preserves dishes in good condition. Last longer as well. You can find good maintenance programs and I can also order a maintenance service for it which is also of a high quality.” (R4, f)

Another consequence that some respondents mentioned in their answers was the price-quality relationship they perceived when categorizing the dishwashers. A number of

respondents felt that the price of the dishwasher reveals to a certain extent the quality of the appliance. Therefore, the results suggest that respondents perceived the price attribute as an indicator of the quality and reliability of the dishwasher. This consequence was further related to the consequence of value-for-money, meaning that respondents considered the dishwasher options that they felt gave them the most value-for-money when taking into account their own dishwasher requirements. Therefore, the results indicate that there seems to be an upper limit to how much money respondents were prepared to pay for a dishwasher. During the interviews some respondents even mentioned that although they acknowledged that the Miele dishwasher represents “top quality” in the household appliances sector, the machine is too expensive for their dishwasher requirements. These consequences were related to the price attribute.

“I believe that price correlates somewhat with quality.” (R8, m)

“Sometimes I think that price matches with quality. Miele represents top quality. Too high a price even though dishes are important.” (R4, f)

“It is not a normal dishwasher but better. Price is too high. The attributes and price are way too high for my uses. Taking into account my household size I don’t need such a sturdy dishwasher.” (R7, m)

Furthermore, a few respondents mentioned that the consequence of easily fit-in troublesome dishes was meaningful to them when categorizing dishwashers. This consequence was related to the adjustable upper-shelf attribute. During the interviews respondents explained that the adjustable upper-shelf feature allows them to place hard to fit dishes, such as wine glasses, into the dishwasher and hence, allows them to fill up the dishwasher as efficiently as possible. This also means that the user does not have to wash dishes by hand and so, saves a lot of time. Therefore, the consequence of easily fit-in troublesome dishes was further related to the consequences of dishwasher is filled efficiently, no need to wash dishes by hand and saving time.

“The adjustable upper-shelf is really important. We have different types of dishes so I can fit them all in there. I can use up the whole space of the machine. I want to get the dirty dishes off my hands.” (R1, m)

“An adjustable upper-shelf is also a very good attribute. Wine glasses fit upright into the machine. Don’t have to wash them by hand. It takes up my own time.” (R8, m)

Finally, another important consequence that a few respondents mentioned in their answers was the ability to put the dishwasher on when it suits you. Respondents mentioned that they really appreciate the fact that they can set the timer on the dishwasher so that it turns itself on when they are at work or away from home. This consequence was further related to the consequence of less background noise. During the interviews respondents said that if you set the dishwasher on when you are leaving the house, you do not have to listen to the extra noise made by the dishwasher when you are at home. These consequences were directly related to the delay-start timer and the noise level attributes.

“It’s really convenient that you can put the dishwasher on in the morning when you leave and it runs the program and it’s just ready when you come back home from work or somewhere else. You don’t have to wait for the dishes and you don’t have to listen to it.” (R5, m)

In addition, the *values* that respondents mentioned when categorizing the dishwasher product category included: 1) decrease costs, 2) peace and quiet, 3) ecological values, 4) harmony, 5) self-worth, 6) dishes are invaluable, and 7) happiness. For the sake of this study the above elements have been grouped under values. However, in reality there is a very fine line between which elements can be considered as consequences and which elements as true values.

The results indicate that respondents valued the fact that they were able to decrease their expenses when categorizing the dishwashers. Therefore, respondents related the consequences of minimize energy and water consumption, allows washing dishes at night and value-for-money to the value of decrease costs. This suggests that many of the respondents tried to achieve this value by choosing carefully the type of dishwasher they would buy. The respondents took into account the actual price of the dishwasher but also the attributes that determine the annual usage cost of the appliance.

Furthermore, many respondents mentioned that they value peace and quiet. Respondents commented that they do not want to listen to a constant noise that is disturbing and annoying when they are at home. This was one of the most important things that respondents strived for when categorizing the dishwashers. This value was related to the consequence of less background noise and the noise level, duration of the quick wash program, dishwasher model and delay-start timer attributes allowed respondents to achieve the value of peace and quiet at home. In addition, some

respondents also mentioned that their dishwasher categorizations also reflected their ecological values. Some respondents specifically took into account the environment when making purchasing decision. The energy efficiency class attribute and the duration of the quick wash program allowed respondents to attain this value.

Also, respondents mentioned in their answers that the need to achieve a well-designed kitchen that is pleasing to look at comes from a stronger feeling of wanting a kitchen that is harmonious. Therefore, the results indicate that respondents valued having harmony in their lives and at home. The results further suggest that this value for harmony could also be linked to a personal value of wanting to feel self-worth.

Moreover, some respondents valued their dishes to the extent that they felt they are invaluable to them. These respondents collected dishes as a hobby for example. Thus, when in a purchasing situation respondents wanted to make sure that their dishes are safe. The value of dishes are invaluable was directly related to the consequence of a good quality machine. Finally, the findings also suggest that when categorizing dishwashers respondents seemed to value the feeling of happiness with life in general. This value could be related especially to the consequences of no need to wash dishes by hand and saving time.

“I’m interested in the less energy it uses up the better option it is financial. I can also wash dishes at night, when energy is cheaper and if the machine is quiet it doesn’t disturb the neighbors.” (R7, m)

“I value peace and quiet and the Miele dishwasher is the best out of all of these. It makes the least amount of noise.” (R1, m)

“A peaceful and harmonious end result when you don’t have separate doors and hatches and then there’s the low noise level. It’s aesthetic as well.” (R6, f)

“We shouldn’t destroy the world more than we have to so that some of the world is left for our children. Ecological values.” (R6, f)

“I really like dishes and it’s very important to me that my dishes remain intact. I collect dishes.” (R4, f)

“If they don’t all fit in I get annoyed.” (R1, m)

Next, the meanings linked specifically to the Sandstrøm dishwasher are discussed.

4.1.2. Meanings linked to the Sandstrøm dishwasher

During the interviews respondents categorized the Sandstrøm dishwasher mainly into the group that they would not consider in a purchasing situation. Overall, the Sandstrøm dishwasher was categorized six times into the uninteresting group and twice into the considered group. Interestingly, the Sandstrøm dishwasher was mainly categorized by respondents into the same group with Samsung and Bosch but it was also categorized once into the same group with the Whirlpool brand as well as with the Miele brand. Figure 7 shows the meanings respondents linked to the Sandstrøm dishwasher.

Firstly, many respondents categorized the Sandstrøm dishwasher according to the brand image and the brand awareness attributes. Respondents mentioned that they are unfamiliar with the Sandstrøm brand and they do not recognize it from any other product groups either. Because respondents did not recognize the brand, they felt uncertainty about the Sandstrøm product and therefore, could not trust the appliance's quality standard and reliability. In line with this a few respondents also mentioned that they would not consider the Sandstrøm brand, since they do not know the brand's country-of-origin. Unfortunately, for the Sandstrøm brand the results indicate that respondents felt more comfortable choosing a more well-known brand in the dishwasher product category.

“I would consider from Group 1 (Bosch, Miele). Because I don't know the Sandstrøm brand at all I don't know what its quality level is.” (R8,m)

“I would consider from Group 1 (Bosch, Miele, Sandstrøm). However, I would only consider the German brands in Group 1 so Bosch or Miele. I believe that the German brands are of very good quality and efficient.” (R6, f)

Furthermore, respondents categorized the Sandstrøm dishwasher according to the price attribute. During the interviews respondents used the price of the dishwasher to evaluate the quality of the appliance. To a certain extent respondents related price to the quality level of the appliance, which was further related to the amount of value-for-money the product provided respondents with. Many respondents felt that the price of the Sandstrøm dishwasher was credible and therefore the results suggest that the Sandstrøm dishwasher was seen as a good quality appliance according to price. However, some respondents mentioned that they would only consider buying a dishwasher from the

Meanings linked to the Sandstrøm dishwasher

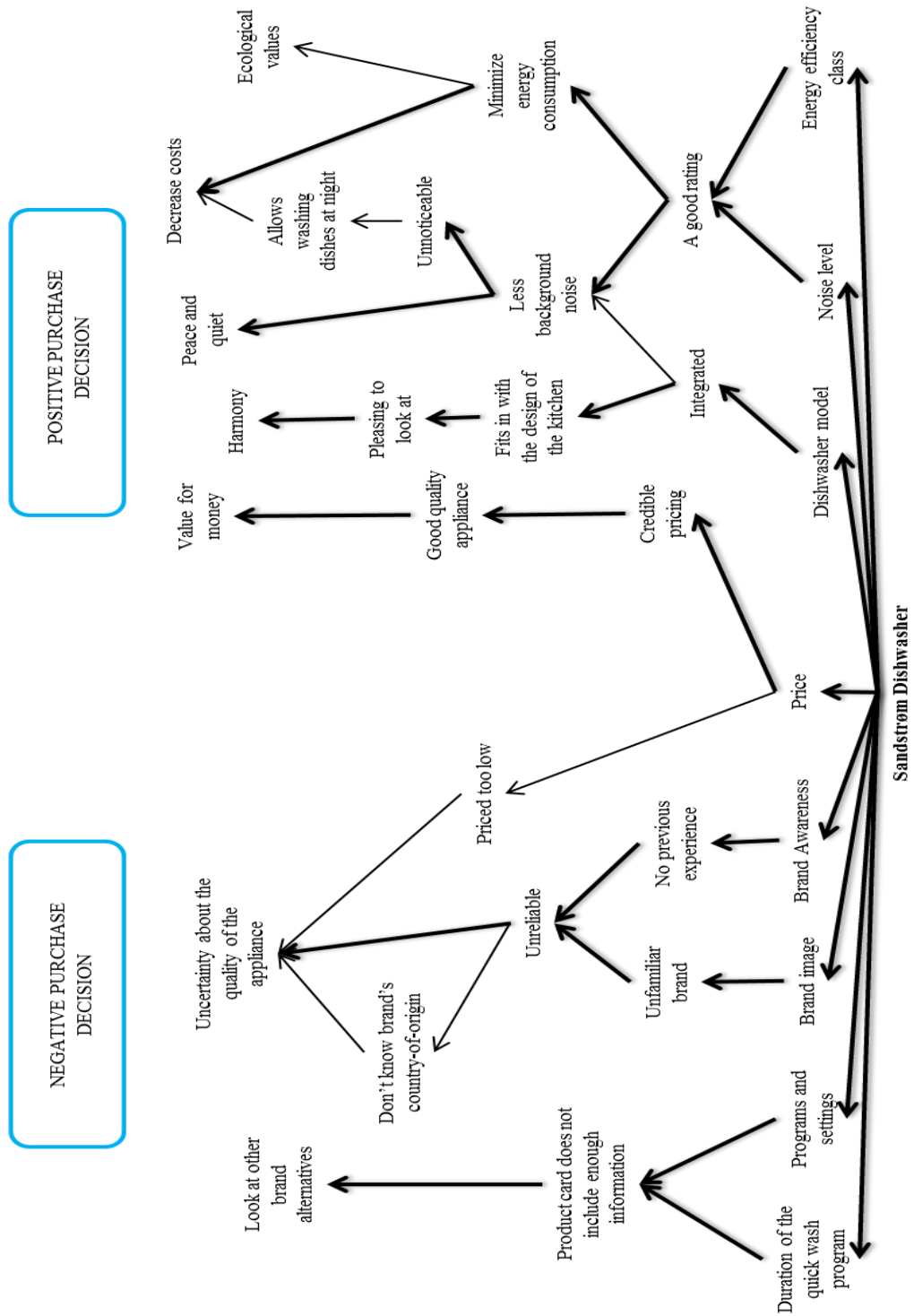


Figure 7. Hierarchical value map for the Sandstrøm dishwasher.

higher end of the price scale. They felt that the reliability and durability of the standard model dishwashers is too low compared to the upper-scale appliances. Therefore, they felt too much uncertainty over the quality of the Sandstrøm dishwasher to consider buying it.

“Group 2 (Bosch, Sandstrøm) price is not too low and therefore they belong into the interesting category. I could consider buying from their price scale.” (R4, f)

“I categorized them according to price. Group 1 (Sandstrøm, Whirlpool, Samsung) are standard models and Group 2 (Bosch, Miele) are more upper-scale. I would consider from Group 2. I don’t think I would trust that Group 1 appliances have a longer service life in the long run.” (R2, m)

In addition, during the interviews many respondents categorized the Sandstrøm dishwasher according to the duration of the quick wash program attribute. As was mentioned in the previous section, the duration of the quick wash program was one of the most important attributes for respondents when categorizing the dishwashers. Unfortunately, the fact that the Sandstrøm dishwasher product card did not include any information about the duration of the quick wash program meant that many respondents automatically placed the product in the uninteresting group. The results also suggest that a greater proportion of the respondents would have placed the Sandstrøm dishwasher into the considered group if it had included this crucial information. During the interviews a few respondents also acknowledged that the Sandstrøm dishwasher product card does not contain any further information about the appliance’s programs and settings. Respondents felt that this makes it very difficult to categorize the product into the considered group because they do not have any extra information compared to some of the other alternative dishwashers.

“I categorized them according to the duration of the quick wash program. Group 1 (Sandstrøm, Samsung) has no information about this, Group 2 (Whirlpool, Bosch) machines are the quickest and Group 3 (Miele) is significantly longer. I could consider Group 2 but because the price varies so much I could consider Group 1 if I knew the duration of their quickest washing program.” (R3, m)

“I would consider from Group 2 (Bosch, Whirlpool, Miele). I would first look at what programs and settings are on the appliance. Group 1 (Samsung, Sandstrøm) doesn’t tell you what programs are on them. I can’t just assume that they are the same ones that are

included in Group 2 appliances. Group 2 programs and setting are explained better. You know straight away what you can do with them.” (R5, m)

Also, some respondents commented on the Sandstrøm dishwasher’s energy efficiency class and noise level attributes. They felt that the Sandstrøm dishwasher was an interesting option that had a good energy efficiency class as well as noise level rating. Respondents associated these attributes with the consequences of being able to minimize energy consumption, having less background noise, appliance is unnoticeable and being able to wash dishes at night. Therefore, the results imply that with the Sandstrøm dishwasher respondents were able to achieve their value related goals of having peace and quiet in the house, being able to decrease annual usage costs and being able to choose an environmentally friendly product.

“I would consider Group 2 (Bosch, Sandstrøm). I noticed that Group 2 have an energy efficiency class rating of A++. They consume almost the same amount of energy during use. Noise level is also ok.” (R4, f)

Finally, respondents also categorized the Sandstrøm dishwasher according to the dishwasher model attribute. Some respondents only desired the integratable dishwashers and therefore, the Sandstrøm dishwasher was automatically placed into the considered group because it was an integratable model. This implies that respondents related the consequences of fits in with the design of the kitchen and pleasing to look at to the Sandstrøm dishwasher and allowed respondents to attain a harmonious and aesthetic end-result that they valued.

“I would consider Group 1 (Bosch, Miele, Sandstrøm). I categorized them firstly by type in other words are they integrated or not. Because I like the fact that it’s out of sight. So you can’t see it and an integrated model is usually quieter because it’s behind a separate door. A peaceful and harmonious end result when you don’t have separate doors and hatches and then there’s the low noise level. It’s aesthetic as well.” (R6, f)

In the following section we will examine how respondents categorized microwave ovens and the meanings they related to this product category.

4.2. Respondents’ categorizations of microwave ovens

This section will concentrate on analyzing the results of how respondents' categorized the microwave ovens chosen for this study. In the conducted interviews six different microwave oven product cards were presented to the respondents. The chosen microwave ovens are illustrated in table 4. In order to gain meaningful and interesting results it was important that the selected microwave ovens were different from each other according to brand, model, price and heating power.

Table 4. Microwave ovens chosen for the study.

Brand	Model	Price	Heating Power
Siemens	Integrated	589€	900W
Bosch	Integrated	349€	800W
Sandstrøm	Free standing	199€	900W
Samsung	Free standing	139€	800W
Electrolux	Free standing	99€	800W
Whirlpool	Free standing	79€	700W

First we will analyze the meanings linked to the microwave oven product category as a whole, after which the meanings related specifically to the Sandstrøm microwave oven will be examined.

4.2.1. Meanings linked to microwave ovens

Figure 8 illustrates the means-end chains for microwave ovens. It portrays the attributes that respondents felt were meaningful in categorizing microwave ovens, the consequences that these attributes provided them as well as the values the respondents related to these consequences.

Interestingly, the results show that in the microwave oven product category many respondents valued a microwave oven that was simple to use and performs the job it is bought for. Therefore, many respondents did not want special features on the microwave oven and they were not ready to pay extra for them either. This could result from the fact that many respondents mentioned that they do not use a microwave oven very often in their daily lives and perceive the appliance more as a necessity in the kitchen, rather than an appliance that they have great use for.

In the microwave oven product category the respondents based their categorizations on the following *attributes*: 1) appearance, 2) microwave oven model 3) brand image, 4) brand awareness, 5) price, 6) heating power, 7) ability to heat food evenly, and 8) turntable.

Firstly, respondents' categorizations were strongly affected by the appearance of the microwave oven. Most of the respondents mentioned that the appearance of a microwave oven is a determining factor in a purchasing situation. Therefore, it was very important for respondents to evaluate how the exterior of the appliance looked like.

“Appearance is the most important attribute. It has to look good in the current kitchen.” (R4, f)

“Appearance has also an affect. How it fits in with the rest of the furniture.” (R1, m)

Furthermore, another important attribute that affected respondents' categorizations was the microwave oven model. There were two different models of microwave ovens in this study; a free standing microwave oven and an integrated microwave oven. The results indicate that many respondents preferred an integrated microwave oven model and in a purchasing situation would choose an integrated model if it could be installed into their kitchen.

“I categorized them according to model type so if they are integratable or not.” (R6, f)

“I categorized them according to the model. I like integratable microwaves more. If there is the possibility in the kitchen I'd rather get the one that is integrated.” (R5, m)

Also, two other important attributes that affected respondents' categorizations were the brand image of the microwave oven and respondents' brand awareness. The brand image and the level of brand awareness were very significant for many respondents in this product category. Therefore, respondents' categorizations were greatly affected by how they perceive the brand image, how well they feel that they know the brand and what it represents.

“I would trust Samsung the most out of these three options (Whirlpool, Electrolux, Samsung). I know Samsung and a lot of my other consumer electronics products are made by Samsung.” (R3, m)

Moreover, the price of the microwave oven was an important attribute for all respondents in this study. Therefore, they paid particularly close attention to the price when categorizing the products. Many respondents categorized the microwaves according to whether they perceived the price of the microwave oven as being high or low.

“Price is the most important criterion with these.” (R2, m)

“Price is the deciding factor so the cheaper option (Bosch, Siemens).” (R5, m)

In addition, the heating power of the microwave oven and the ability to heat food evenly were meaningful attributes for respondents. Some respondents paid attention to the heating power of the microwave oven when categorizing the products. Also, a few respondents mentioned that the microwave’s ability to heat food evenly affected their categorizations in this product class.

“The heating power of the microwave is important.” (R4, f)

“Evenly heated food is an important feature, which is also mentioned in the Samsung. However, I wouldn’t be ready to pay 300€ for this feature.” (R3, m)

Finally, some respondents also felt that the turntable of the microwave oven was a significant attribute when categorizing the microwave ovens. The microwave ovens in this study had different sized turntables and one option, the Siemens microwave oven, had a stationary base that does not rotate. Interestingly, in a purchasing situation some respondents mentioned that they would specifically look for a microwave oven that does not have a rotatable base.

“I categorized them according to the turntable. Group 1 (Siemens) has a stationary base. I would consider this group.” (R8, m)

Moreover, in the microwave oven product category the *consequences* that the above mentioned product attributes provided respondents included: 1) fits in with the design of the kitchen, 2) pleasing to look at, 3) more counter top space, 4) ergonomics, 5)

cleanliness, 6) previous brand experience, 7) reliable, 8) good quality machine, 9) price-quality relationship, 10) performs the job it is bought for, 11) facilitates a more diverse range of cooking, 12) need to use appliance more often, 13) increases costs, 14) better quality food, 15) food is not cold, 16) food tastes better, 17) prepares food quicker, and 18) easier to prepare food.

Most of the respondents mentioned in their answers that it is very important to have a kitchen that is well-designed and stylish. As a further consequence respondents felt that it is important to have a kitchen that is pleasing to look at, which is achieved when the kitchen is well-designed. The appearance and the microwave oven model attributes were directly related to these consequences. The microwave oven has to fit in with the design of the kitchen, since the appliance is always on show and never hidden behind a separate door. Therefore, the results indicate that the appearance of the microwave oven helps to attain a well-designed kitchen that is pleasing to look at.

“If it’s totally different compared to the rest of the kitchen equipment then that would annoy me every day when I look at it. It has to fit in.” (R1, m)

“Integratability would be an important factor regarding the harmony and appearance of the kitchen.” (R4, f)

“It’s just a question of appearance. An integrated microwave pleases my eye more.” (R5, m)

“Because it’s as aesthetic as possible and out of the way as much as possible, since the microwave oven isn’t used very often.” (R6, f)

Furthermore, other important consequences that respondents mentioned in their answers when categorizing microwave ovens was getting as much counter top space in the kitchen as possible, ergonomics and cleanliness. These consequences were all related to the microwave oven model attribute. Therefore, most respondents felt that having the microwave oven in its own space would allow them to have more counter top space in the kitchen. Also, a few respondents mentioned that having the microwave oven a little higher up on a shelf improves the ergonomics of cooking and preparing food. Further, many respondents felt that the kitchen is easier to keep clean when there are less surfaces to clean and dust, which is made possible with an integratable appliance.

“I like the fact that the microwave oven is in its own space and not on the counter. Because of ergonomics.” (R4, f)

“And also there are as few cleanable surfaces as possible. One of the positive effects of an integrated machine.” (R6, f)

“Also it feels like integratable machines are easier to keep clean so you don’t have a lot of different types of holes. Also, you never have enough counter top space.” (R5, m)

In addition, most of the respondents mentioned that it is very important for them to choose a microwave oven brand that they have previous experience of. This consequence was further related to the consequences of choosing a reliable appliance and a good quality machine. The respondents felt that a brand that they were more familiar with and had previous experience of was a safer option than an unfamiliar brand. Also, the results indicate that the respondents did not want to consider a microwave brand if they felt that the brand image was not appealing. This indicates that in this product category the brand awareness and image of the microwave oven has a direct effect on the perceived quality and reliability of the product. Respondents related these consequences with the brand image attribute and with the brand awareness attribute.

“Brand awareness has an effect, brand experience from other machines. I feel like I know in some way the quality of these brands (Electrolux, Samsung, Bosch) better than of those that I recognize but have no previous experience of.” (R1, m)

“I’ve always felt like Whirlpool and Electrolux are cheap brands. They don’t really interest me. Uncertainty, they might not last very long.” (R3, m)

“Brand awareness is important when considering the reliability of the machine.” (R4, f)

Moreover, respondents mentioned in their answers that the price-quality relationships of the microwave oven was very significant in a purchasing situation. In their answers respondents were very certain that the price of the microwave oven directly correlated with the quality as well as how many extra attributes and features were included on the appliance. Therefore, the higher the price of the microwave oven the more extra features are built into it. Many respondents also mentioned that they do not want to pay for features that they have no use for and so, only want the microwave oven to perform the job it is bought for; mainly melting and re-heating food. Therefore, the consequences of performs the job it is bought for is directly related to the price-quality relationship consequence. The price-quality relationship consequence was further related to the consequences of facilitates a more diverse range of cooking, need to use appliance more often and increases costs. Respondents felt that having a range of extra features on the

microwave oven allows you to prepare food in a number of ways. However, having a lot of extra attributes would mean that you would have to start using the appliance more often in order to justify having all of those attributes. Also, buying a higher priced microwave oven with a range of extra features would increase costs. Many respondents were not comfortable with paying a lot for a microwave oven, since they use it infrequently in their daily lives. These above mentioned consequence were linked to the price attribute.

“The amount of settings is unimportant. I don’t use a microwave very often and when I do it’s for a little bit of re-heating. This is why I don’t yearn for these special attributes.” (R2, m)

“Extra attributes are not important in a microwave oven. They become more important in a cooking oven.” (R4, f)

“I wouldn’t pay loads for a microwave because I don’t use it a lot. If I used it daily then I would probably buy a machine that costs 300€ – 400€.” (R3, m)

“Price is the deciding factor so the cheaper option (Bosch, Siemens). Because we don’t use a microwave very often it should be just as good. I can’t see that there is a lot of difference between them. I’ll get the same end-result with the cheaper option.” (R5, m)

Furthermore, a few respondents mentioned that it is very important for them that food that is prepared in the microwave oven is not cold or overheated in some places. This consequence was further related to the consequences of eating food that tastes better and better overall quality food. These consequences were thus related to the attribute of the microwave oven’s ability to heat food evenly.

“I want to eat evenly heated food and not cold food.” (R3, m)

“The quality of food after re-heating. Gently; evenly heated; the quality of food is better. Tastes better and its impact on health.” (R8, m)

Finally, other important consequences that respondents mentioned in their answers included the consequence of prepares food quicker and the consequence of easier to prepare food. A few respondents felt that it was critical that the microwave oven prepares the food as quickly as possible and hence, this consequence was related to the microwave oven’s heating power attribute. Also, a few respondents felt that it is easier to prepare different sized food if the microwave oven does not have a rotatable base.

Therefore, this consequence was directly related to the turntable attribute. Interestingly, the respondents who mentioned these consequences in their answers also said that they use a microwave oven daily in their cooking.

“The heating power of the microwave is important because the food is ready quicker.”
(R4, f)

“It’s easier if it doesn’t have a rotatable base. If you have a big chunk of meat or something sometimes the base can’t rotate. So then you have to chop it into smaller pieces. It makes it more difficult when preparing food.” (R8, m)

In addition, the *values* that respondents mentioned when categorizing the microwave oven product category included: 1) harmony, 2) self-worth, 3) safety in making food, 4) food is healthy, 5) simplicity, and 6) assists with a hectic lifestyle. For the sake of this study the above elements have been grouped under values. However, in reality it is very hard to distinguish between which elements can be considered as consequences and which elements as true values.

Respondents mentioned in their answers that the need to achieve a well-designed kitchen that is pleasing to look at comes from a stronger feeling of wanting a kitchen that is harmonious. Therefore, the results indicate that respondents valued having harmony in their lives and at home. The results further suggest that this value for harmony could also be linked to a personal value of wanting to feel self-worth.

Also, respondents valued the fact that preparing food is safe and risk free. Therefore, it was very important that the respondents felt that the microwave oven does not cause any injury to their health and allows them to cook their food safely. Furthermore, respondents valued the fact that food is healthy. They felt that it was very important that the microwave produced food that is healthy and that the preparation does not take nutrients out of the food no more than it has to. These values were linked to the consequences of a good quality machine and better quality food.

Finally, the results indicate that respondents who use a microwave oven infrequently, and so do not want a lot of extra features on the microwave oven, value a microwave oven that is simple and easy to use. Therefore, many respondents valued the simplicity of a microwave oven which was related to the consequence of performs the job it is bought for. However, those respondents who felt a greater need for a microwave oven in

their daily lives valued the fact that it assist them with a hectic lifestyle. Therefore, these respondents mentioned that it is very important to them that they can prepare their food quickly and in a number of ways on one appliance. This value was connected to the consequences of facilitating a more diverse range of cooking and prepares food quicker.

“A harmonious end-result is important. The kitchen as a whole is more pleasant like it should be. I’d rather look at something that doesn’t annoy me.” (R1, m)

“It’s safer that the microwave is a little higher because of children for example. When you have a good quality microwave food is prepared in the correct manner and safely. I want to eat well and diversely.” (R4, f)

“The most important is simplicity and clarity. Siemens has too many features and is too complicated.” (R6, f)

“My life is hectic so it’s easier for me that I have more features on one appliance.” (R7, m)

Next, the meanings linked specifically to the Sandstrøm microwave oven are discussed.

4.2.2. Meanings linked to the Sandstrøm microwave oven

During the interviews respondents categorized the Sandstrøm microwave oven mainly into the group that they would not considered in a purchasing situation. Interestingly, the Sandstrøm microwave oven was mainly categorized by respondents into its own group with the other microwave oven brands forming two or three other groups. The Sandstrøm microwave oven was also categorized a few times into the same group with Whirlpool, Electrolux and Samsung and it was categorized once into the same group with the Siemens brand. Figure 9 shows the meanings respondents linked to the Sandstrøm microwave oven.

Firstly, many respondents categorized the Sandstrøm microwave oven according to the brand image and the brand awareness attributes. The respondents mentioned that they are unfamiliar with the Sandstrøm brand and they do not recognize it from any other product groups either. Unfortunately, for the Sandstrøm brand the results indicate that respondents felt more comfortable choosing a more well-known brand in the microwave oven product category. Therefore, because respondents did not recognize the brand they felt that they could not trust the quality and reliability of the Sandstrøm product.

Meanings linked to the Sandstrøm microwave oven

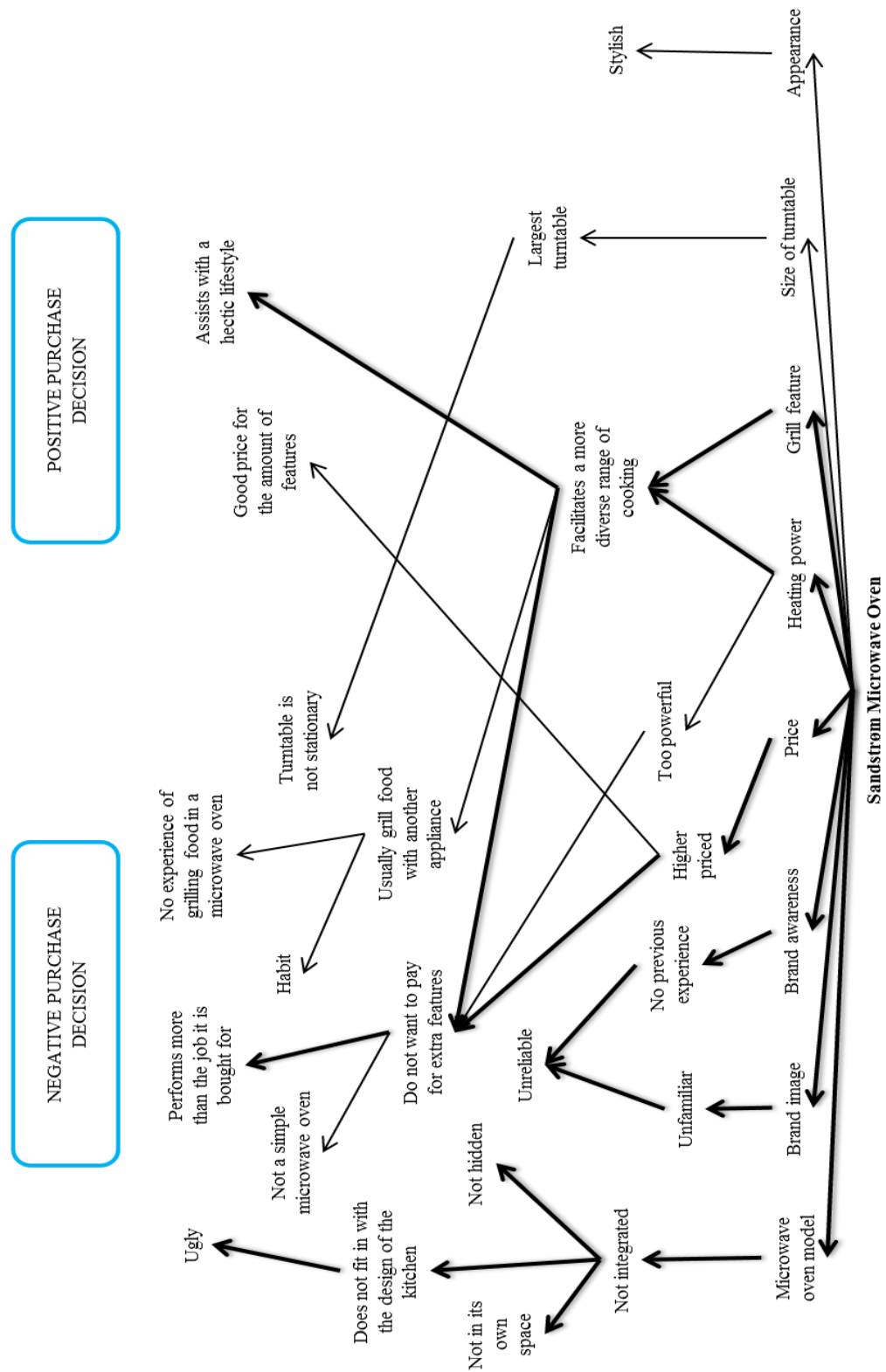


Figure 9. Hierarchical value map for the Sandstrøm microwave oven.

“I would consider Group 1 (Electrolux, Samsung, Bosch). This mental image that I have means that I would never consider buying this unknown Sandstrøm compared to Bosch for example.” (R1, m)

“I also don’t know this brand from Group 2 (Sandstrøm). Brand familiarity is important because of reliability.” (R4, f)

Furthermore, respondents also categorized the Sandstrøm microwave oven according to the microwave oven model and appearance attributes. Many respondents only desired the integratable microwave ovens and since the Sandstrøm microwave oven was a free standing model they automatically placed the product into the group that would not be considered in a buying situation. This implies that respondents felt that the Sandstrøm microwave oven does not fit in with the design of their kitchens and therefore, does not provide them with a harmonious and aesthetic end-result that the respondents valued. Some respondents also mentioned that they specifically want the microwave to have its own space in the kitchen away from the counter top and that the microwave oven has to be as inconspicuous as possible, since it is used so infrequently in the household. Unfortunately, the Sandstrøm microwave oven was unsuccessful at providing respondents with these consequences. A few respondents also commented on the actual appearance of the Sandstrøm microwave oven. Overall, its appearance was perceived to be rather ugly instead of being modern and stylish.

“Appearance wise Group 2 (Sandstrøm) is not so great. Integratability would be an important factor when considering the kitchen’s appearance and harmony. I like that the microwave is in its own space and not on the counter top.” (R4, f)

“I would choose from Group 1 (Bosch, Siemens). I categorized them according to integratability. Because they are as aesthetic as possible and very ambiguous since we use a microwave so infrequently. It’s good to have it but it doesn’t have to be noticeable. So it’s only there if I need it. An integratable model allows this.” (R6, f)

“Group 4 (Sandstrøm) is quite stylish-looking.” (R8, m)

In addition, a few respondents mentioned the Sandstrøm microwave oven’s heating power and the size of the turntable attributes. During the interviews some respondents compared the Sandstrøm microwave oven’s heating power to the other alternatives and felt that it was too powerful for their needs. As was mentioned in the previous section,

many respondents perceived that the extra features on a microwave oven all cost money and so respondents mentioned that they were not ready to pay for such a powerful microwave oven such as Sandstrøm. Also, a few respondents mentioned the turntable attribute in their answers. A few wanted a stationary base which the Sandstrøm microwave oven did not offer, however the appliance did have the largest turntable out of all the alternatives in this study, which was perceived as the next best thing if a stationary base was not available.

“Group 2 (Sandstrøm) is way too powerful.” (R4, f)

“I categorized them according to the turntable attribute. Group 4 (Sandstrøm) has the largest turntable. It’s better to have a stationary base, but the price of Group 1 (Siemens) is very high.” (R8, m)

Moreover, during the interviews a few respondents perceived that the Sandstrøm microwave oven as a very diverse appliance with a range of features that would allow them to prepare food in a number of ways. The respondents also found the grill attribute on the Sandstrøm microwave oven as an interesting added feature. Unfortunately, the respondents did not know how the feature works and whether it provides tasty food. They also mentioned that they are more used to grilling food by using other appliances and therefore, do not know how valuable the grill feature is on the Sandstrøm microwave oven. The results could therefore suggest that if the respondents were inexperienced with the grill attribute they could be wary of investing in such a feature when buying a microwave oven.

“I would consider Group 1 (Sandstrøm). I categorized them according to model type and then the freestanding models I also divided into two groups where one of them has a considerably more diverse range of attributes so Group 1. I’m able to do more diverse cooking with the Sandstrøm microwave oven. It’s important that a microwave has many different attributes.” (R7, m)

“Sandstrøm is a more diverse machine but I usually grill using another type of appliance. The price isn’t bad and it’s quite stylish-looking. It’s probably down to a question of habit. It could be quite useful if it makes food that is tasty.” (R8, m)

However, many of the respondents mentioned in their answers that they do not want a microwave oven that has a range of special features. This was mainly due to the fact that many respondents used a microwave oven so rarely in cooking that they did not

want to spend a huge amount of money on the appliance. Some respondents even mentioned that they would rather have extra features, like the ones on the Sandstrøm microwave oven, on a cooking oven instead. Therefore, the price and grill attributes were associated with the consequences of do not want to pay for extra features, performs more than the job it is bought for and is not a simple microwave oven. Overall, the results suggest that many respondents felt that the Sandstrøm microwave oven represented a more superior appliance than what respondents felt they needed in their kitchens. In a purchasing situation many of the respondents were looking for a simple microwave oven that only performs the job it is bought for; mainly re-heating and melting food.

“If I was buying a microwave I would look at group 1 (Electrolux, Samsung, Whirlpool) just because of the fact that I don’t need any extra attributes. It’s a waste of money to buy something you don’t need.” (R2, m)

“I don’t want to pay for extra features that I consider pointless for example, the grill, the size of the turntable.” (R1, m)

“I wouldn’t buy this because I wouldn’t use the grill features (Group 2: Sandstrøm). Something that reheats the food is enough for me. I have an oven for when I need to grill food or do something else. I just want it to perform the job it is bought for.” (R3, m)

Next, we will examine the coffee machine product category and analyze the meanings linked to this product class.

4.3. Respondents’ categorizations of coffee machines

This section will concentrate on analyzing the results of how respondents’ categorized the coffee machines chosen for this study. In the conducted interviews six different coffee machine product cards were presented to the respondents. The chosen coffee machines are illustrated in table 5. In order to gain meaningful and interesting results it was important that the selected coffee machines were different according to brand, model, price and power.

Table 5. Coffee machines chosen for the study.

Brand	Model	Price	Power
Moccamaster	Drip coffee machine	199€	1430W
Bosch	Drip coffee machine	89€	1160W
Philips	Drip coffee machine	55,90€	1400W
Electrolux	Drip coffee machine	19,95€	1080W
OBH Nordica	Integrated grind mill	128,95€	1800W
Sandstrøm	Integrated grind mill	159€	1000W

First we will examine the meanings linked to the coffee machine product category as a whole, after which the meanings related specifically to the Sandstrøm coffee machine will be analyzed.

4.3.1. Meanings linked to coffee machines

Figure 10 illustrates the means-end chains for coffee machines. It shows the attributes that respondents felt were meaningful in categorizing coffee machines, the consequences that these attributes provided them as well as the values the respondents related to these consequences.

Interestingly, the results show that in the coffee machine product category there seems to be only one “true” coffee machine brand that is recognized by everyone regardless of whether they drink coffee or not. This was the Moccamaster brand. In this case it can be very hard for other brands to compete against the one true coffee machine brand, since it has a very strong brand image on the market. Also, the results indicate that to a certain extent respondents felt that the drip coffee machines chosen for this study do not directly compete against the coffeemakers with an integrated grind mill feature. In other words, the differing models do not rule out one another and some respondents would even consider having both coffee machine models in their kitchen.

In the coffee machine product category the respondents based their categorizations on the following *attributes*: 1) appearance, 2) brand image, 3) auto-off feature, 4) power of the coffee machine, 5) duration of the product guarantee, 6) feature for detecting calcium accumulation, 7) coffee machine model, and 8) the machine’s coffee capacity.

Meanings linked to coffee machines

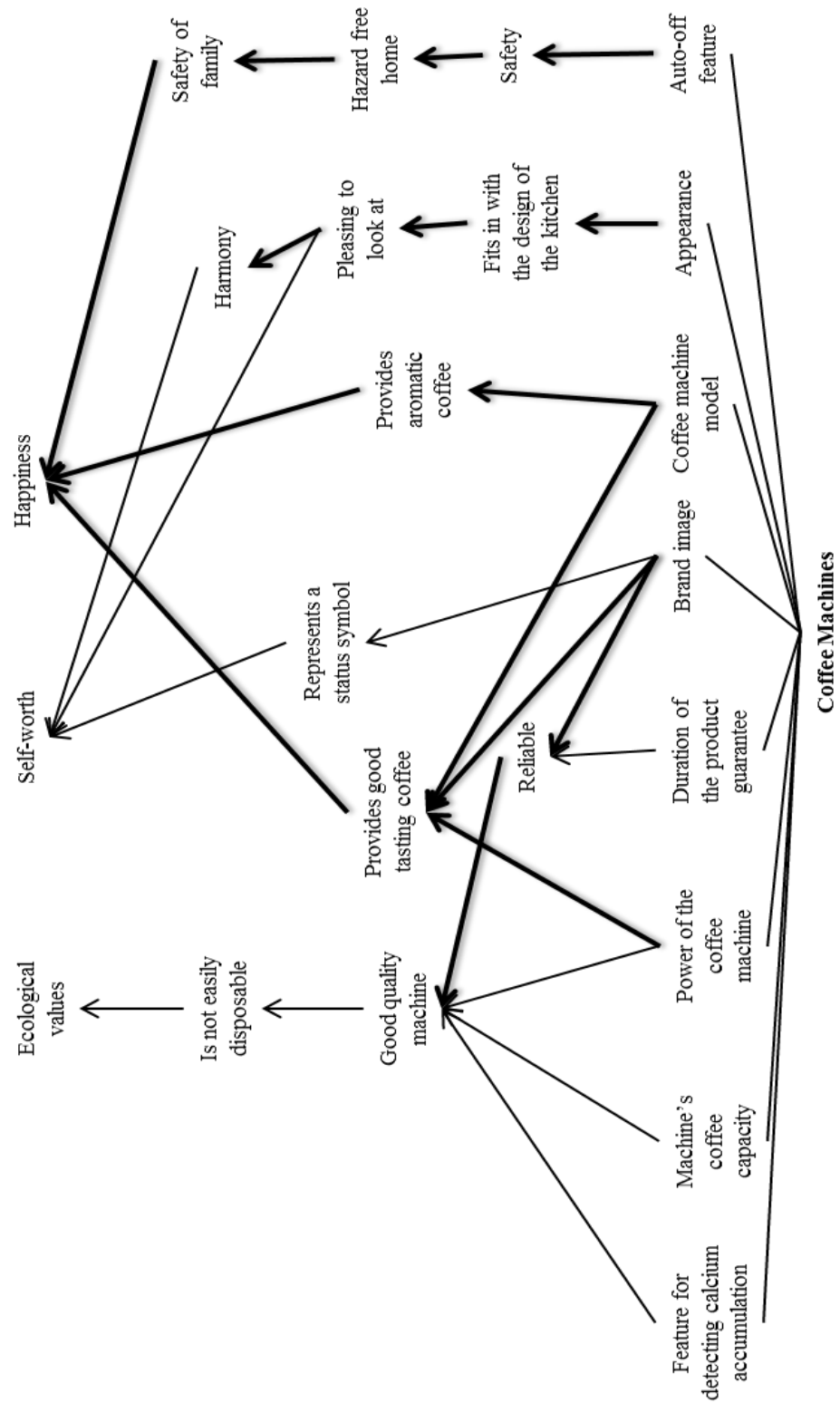


Figure 10. Hierarchical value map for coffee machines.

The results showed that appearance and brand image affected categorizations the most in the coffee machine product category.

Firstly, respondents' categorizations were strongly affected by the appearance of the coffee machine. Most of the respondents mentioned that the appearance of a coffee machine is a determining factor in a purchasing situation. Therefore, it was very important for respondents to evaluate how the exterior of the appliance looked like; how it was designed, what materials and colors were used, how large and heavy the machine was.

"I categorized them firstly by appearance." (R1, m)

"Second criteria was appearance. Group 1 (Moccamaster, Philips, Bosch) looked the best." (R3, m)

"Appearance is a very important criterion when considering a coffee machine. If it looks horrible I wouldn't consider it." (R6, f)

Furthermore, another important attribute that affected respondents' categorizations was the brand image of the coffee machine. The brand image and what the brand represents were very significant for some respondents. Respondents who had a sense of passion for coffee were especially brand oriented. They felt that the Moccamaster coffee machine was the only possible option in a purchasing situation.

"Coffee is so important for me that I wouldn't buy any of these except Moccamaster. In other words brand is the deciding factor. Brand loyalty and that I believe that it's the best coffee machine." (R5, m)

In addition, the auto-off feature and the power of the coffee machine were meaningful attributes for respondents. The respondents paid attention to whether the appliance can turn its power off by itself when categorizing the products. Also, some respondents mentioned that the power of the machine affected their categorizations meaning how effective the appliance is in making coffee.

"Because Moccamaster does not have the auto-off attribute I would have to drop it from the alternatives I'm considering." (R3, m)

“Auto-off is a really important attribute. I would pay more to have it.” (R6, f)

“The power of the coffee machine is the next determining attribute in Group 1 (Moccamaster, Electrolux, Philips).” (R1, m)

Other attributes that were considered to be meaningful by some respondents included the duration of the product guarantee and the feature for detecting calcium accumulation. This suggest that it is significant to include details about these attributes on the product even though they may not be the most important attributes when categorizing coffee machines.

“The third criterion is the duration of the product guarantee.” (R1, m)

“Group 3 (Philips, Moccamaster) have a feature for detecting calcium accumulation.” (R8, m)

Finally, respondents also felt that the coffee machine model and the machine’s coffee capacity were significant attributes when categorizing coffee machines. There were two different models of coffee machines in this study; a drip coffeemaker machine and a coffee mill that allows you to grind your own coffee beans. Also, the coffee cup capacity of the coffee machine was mentioned as a determining factor meaning how many cups of coffee you can make in one go.

“I categorized them according to my own taste for coffee. Group 1 (OBH Nordica, Sandstrøm) are definitely more interesting. With them you can grind your own coffee beans.” (R7, m)

“Group 1 (Electrolux, Bosch) are in their own group because of their coffee cup capacity. If you have guests or others over you are able to make 15 cups of coffee. In daily use though it’s not meaningful.” (R8, m)

Moreover, in the coffee machine product category the *consequences* that the above mentioned product attributes provided respondents included: 1) fits in with the design of the kitchen, 2) pleasing to look at, 3) good quality machine, 4) reliable, 5) is not easily disposable, 6) represents a status symbol, 7) provides good tasting coffee, 8) provides aromatic coffee, 9) safety, and 10) hazard free home.

Most of the respondents mentioned in their answers that it is very important to have a kitchen that is stylish and well-designed. As a further consequence respondents felt that

it is important to have a kitchen that is pleasing to look at, which is achieved when the kitchen is well-designed. The appearance attribute was directly related to these consequences. The coffee machine has to suit the design of the kitchen since it is always on the work top. Therefore, the results indicate that the appearance of the coffee machine helps to attain a well-designed kitchen that is pleasing to look at.

“It looks nicer if it suits the décor. It’s nice that everything pleases the eye because I can’t be bothered to look at an ugly coffee maker every day when I go into the kitchen.” (R3, m)

“The groups are categorized by appearance as well. It’s important that the machine is of the same color scheme and the same design style.” (R4, f)

Furthermore, most of the respondents mentioned that it is very important for them to choose a good quality coffee machine in a purchasing situation which includes the ability to clean the machine as effortlessly as possible and the ability to make larger amounts of coffee easily in one go. This consequence was further related to the consequences of choosing a reliable machine and a machine that is not easily disposable. Some respondents felt that it was very important that the different parts of the coffee machine are replaceable, which includes the fact that the manufacturer provides good quality maintenance services. Also, the service life of the coffee machine was very important for respondents and therefore, choosing a coffee machine that lasts as long as possible. Respondents related these consequences with the brand image attribute, the duration of the product guarantee, machine’s coffee capacity, power of the coffee machine and the feature for detecting calcium accumulation.

“Moccamaster is a Moccamaster. I know from experience that it’s a long lasting product. I feel that the brand is very reliable and it’s long lasting. I would want it in my home.” (R4, f)

“Important that it’s easy to keep as clean as possible and if something breaks the parts are replaceable / changeable. It’s long lasting instead of being disposable. Therefore I don’t have to change it and buy a new one.” (R6, f)

Another consequence that some respondents mentioned in their answers was the fact that a coffee machine is a kitchen’s status symbol. In this case the Moccamaster brand in coffee machines was seen as a status symbol. This suggest that if respondents wanted to attain this consequence they would be very brand oriented when choosing a coffee

machine. Therefore, the brand image attribute was directly connected to this consequence.

“Moccamaster is a kitchen’s status symbol.” (R4, f)

Moreover, respondents mentioned that it is very important that the coffee machine provides good tasting coffee as well as coffee that is highly aromatic. Many of the respondents concentrated on attaining these consequences when categorizing the coffee machines. It was critical that the coffee tastes good, and is hot. The attributes that respondents felt would help them achieve good tasting coffee were brand image, power of the coffee machine and the coffee machine model. Also, the coffee machine model was directly linked to the consequence of getting coffee that is very aromatic. Some respondents felt that the ability to grind your own coffee beans makes coffee taste better in the sense that it tastes different from the coffee made in a drip coffee machine. Respondents felt that highly aromatic coffee allows you to enjoy it more, which is important when drinking coffee.

“I like that the quality of the coffee stays the same, I want it to taste good every time.” (R6, f)

“The higher the power, the warmer the coffee. Coffee is made quickly and its warm.” (R1, m)

“It allows you to grind your own coffee beans. Here the quality of coffee is at its best.” (R7, m)

Finally, another important consequence that respondents mentioned in their answers was safety which was further related to the consequence of a hazard free home. This suggests that the respondents placed great importance on safety and felt it was crucial that they know their home is safe. This means being able to trust the safety of the appliance. These consequences were related to the coffee machine’s auto-off attribute.

“Auto-off is also important because of safety reasons. I don’t want my house to burn down because of a coffee machine.” (R3, m)

“I trust that it will turn itself off if I have forgotten to do it.” (R6, f)

In addition, the *values* that respondents mentioned when categorizing the coffee machine product category included: 1) harmony, 2) safety of family, 3) self-worth, 4)

ecological values, and 5) happiness. For the sake of this study the above elements have been grouped under values. However, in reality there is a very fine line between which elements can be considered as consequences and which elements as true values.

Respondents mentioned in their answers that the need to achieve a well-designed kitchen that is pleasing to look at comes from a stronger feeling of wanting a kitchen that is harmonious. Therefore, the results indicate that respondents valued having harmony in their lives and at home. The results further suggest that this value for harmony could also be linked to a personal value of wanting to feel self-worth.

Also, respondents valued the safety of their family which is directly linked to the safety consequence of the coffee machine and having a hazard free home. Furthermore, the results show that some respondents consider their ecological values when categorizing coffee machines. In their choices respondents valued the safety of the environment and felt that the consequences of selecting a good quality coffee machine that is reliable and is not easily disposable help to achieve this goal. Finally, the findings suggest that when categorizing coffee machines respondents seemed to value the feeling of happiness with life in general. This value could be related especially to the consequences of wanting to drink good tasting and highly aromatic coffee.

“Safety reasons and I want peace of mind.” (R6, f)

“I want my kitchen to look good, harmonious.” (R4, f)

“Ecological values relate to this as well.” (R6, f)

“Coffee is an important part of my life, especially in the weekends. So I want to invest in coffee.” (R7, m)

Next, the meanings linked specifically to the Sandstrøm coffee machine are discussed.

4.3.2. Meanings linked to the Sandstrøm coffee machine

During the interviews respondents categorized the Sandstrøm coffee machine a number of times into the considered group. It was mainly categorized into the same group with the OBH Nordica coffee machine and with the Electrolux coffee machine, but also, sometimes with the Moccamaster coffee machine. Figure 11 shows the meanings respondents linked to the Sandstrøm coffee machine.

Meanings linked to the Sandstrøm coffee machine

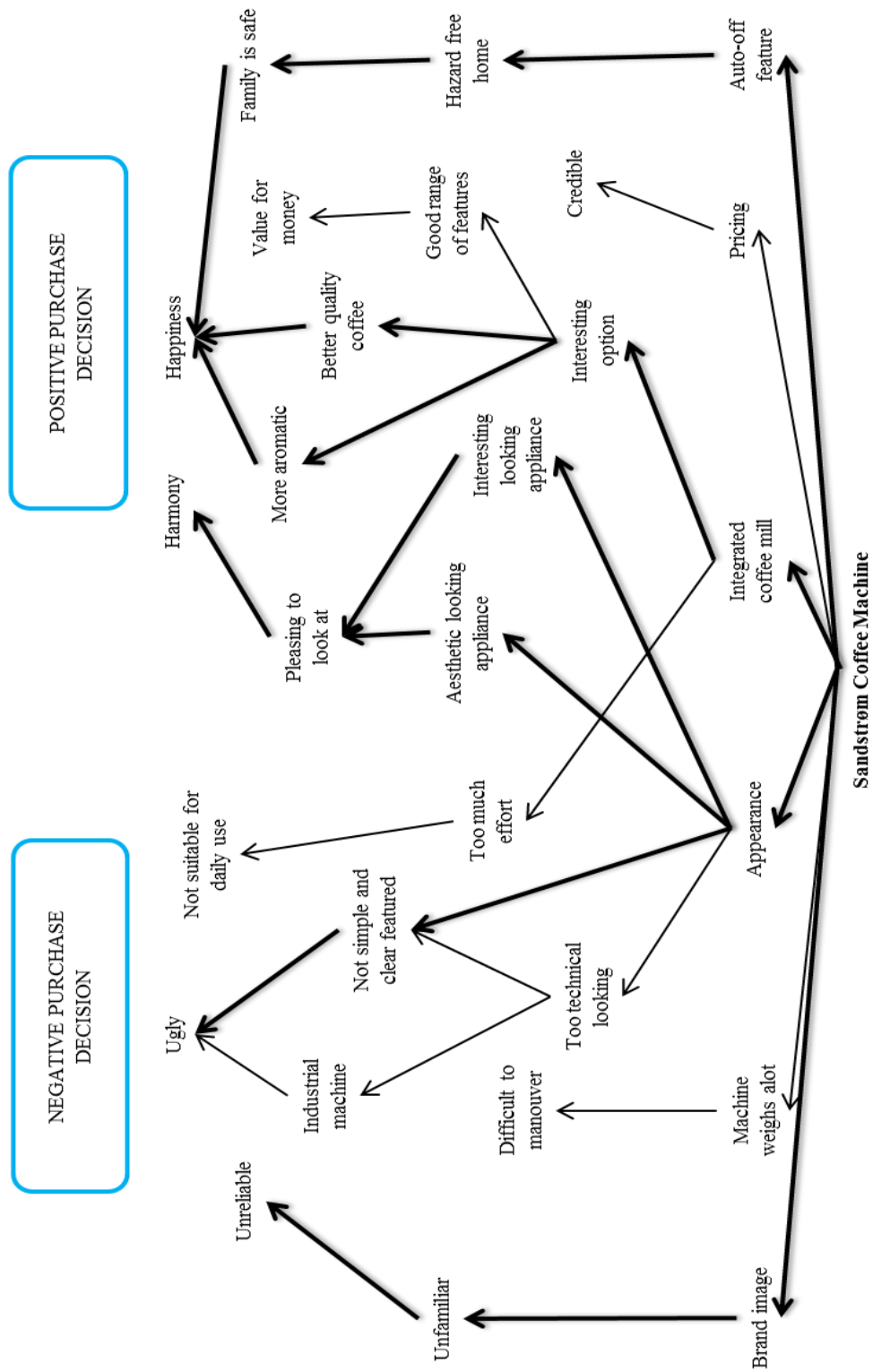


Figure 11. Hierarchical value map for the Sandstrøm coffee machine.

Appearance wise the Sandstrøm coffee machine was perceived by some respondents as an interesting appliance. It was considered as an aesthetic looking appliance that would look good on the kitchen counter top. However, a few respondents described the Sandstrøm coffee machine as being too technical-looking like an industrial machine and felt that it would suit a restaurant or a cafe better than a home kitchen. These difference in respondents perceptions of the coffee machine's appearance could be a disadvantage for the Sandstrøm brand, since the appearance of the coffee machine was, according to the results of the previous section, a very important attribute for consumers and a determining factor in product categorizations. The appearance of the coffee machine relates to the consequences of having a kitchen that is pleasing to look at and a kitchen that has a harmonious feel to it.

Also, related to the appearance attribute, was the weight of the Sandstrøm coffee machine. It was perceived to be a quite heavy appliance; the weight being 5 kilograms. The heavy weight could be seen as a disadvantage, since it can cause its own challenges for example, making it difficult to move the machine around in the kitchen.

“Group 2 (OBH, Sandstrøm , Bosch) are more workplace / café type coffee machines. Especially Sandstrøm, hollow. It reminds me of something that is used by a café. It's too technical-looking. Has to be simple and clear-featured.” (R1, m)

“Also Sandstrøm is in Group 2 (Sandstrøm, Electrolux) because I could consider it. I'm not familiar with it but it's quite a funny-looking machine. On the other hand, a minus factor is that it weighs 5 kg so it's quite a block. If you have a modern kitchen it could look quite nice on the worktop.” (R4, f)

Moreover, some respondents categorized the Sandstrøm coffee machine according to the model type attribute. They felt that the Sandstrøm coffee machine is an interesting option compared to normal coffeemakers. These respondents felt that the integrated coffee mill attribute would provide better tasting coffee that is more aromatic than the coffee produced in a drip coffee machine.

“Categorized them by accustomed taste. Group 1 (OBH, Sandstrøm) is definitely the most interesting, you can grind your own beans. Here the quality of coffee is at its best.” (R7, m)

“Coffee mill means better quality coffee and coffee that is more aromatic even if you drink it less often. Taste is after all the most important thing with coffee.” (R8, m)

Also, some respondents felt that the Sandstrøm coffee machine did not directly compete with the drip coffeemaker alternatives and in a sense created its own sub-category with the OBH coffee machine, which had the same model type. Some even mentioned that they could consider having both coffee machine models in their kitchen. Therefore, the results suggest that respondents could purchase the Sandstrøm coffee machine besides their normal drip coffeemaker. This is because some respondents perceived the grind mill feature as unsuitable for daily use since it requires too much effort compared to the drip coffee machine model.

“Coffee mill integrated with a coffee machine would be a good alternative. I’m not sure if I’d have the energy to use the coffee mill and so it doesn’t compete directly with the Moccamaster. I could buy it separately but for daily coffee making definitely the Moccamaster.” (R6, f)

In addition, some respondents mentioned the auto-off feature on the Sandstrøm coffee machine. Many respondents felt that the auto-off attribute is very critical to have on a coffee machine, and so this was an advantage for the Sandstrøm coffee machine. Respondents felt that it was a very important attribute because it relates to the consequences of keeping the home hazard free and the family safe. However, some respondents did mention that they do not recognize the Sandstrøm brand from anywhere. Since many respondents relate the familiarity of the brand and the brand image with the reliability of the product, the Sandstrøm brand’s unfamiliar brand image could suggest that the product is unreliable.

“The good thing about Sandstrøm was the fact that it has the auto-off feature. It’s a good solution for a forgetful and busy person.” (R6, f)

“Once again I don’t know Sandstrøm, OBH I know previously from other products.” (R8, m)

“Familiarity and appearance are both just as important. So that I know for certain that it works. And that it doesn’t set on fire.” (R3, m)

Finally, during the interviews none of the respondents commented on the price of the Sandstrøm coffee machine. This could indicate that the pricing of the Sandstrøm coffee

machine was perceived by respondents as credible. Further, the Sandstrøm coffee machine was perceived to have a better range of features compared to the competing alternative OBH coffee machine. These results could suggest that the Sandstrøm coffee machine is perceived to be the better option regarding overall value-for-money.

“I could very well choose either one from Group 2 (OBH, Sandstrøm). The price difference isn’t much.” (R8, m)

“I would consider Sandstrøm because it includes more features. The price difference between these two products (OBH, Sandstrøm) is so small that I’d rather get more attributes with the same money which also correlates with the products maintenance services and provides extra info when making coffee.” (R7, m)

Next we will discuss the results for the fourth and final product category of the study; that being the portable DVD-players.

4.4. Respondents’ categorizations of portable DVD-players

This section will concentrate on analyzing the results of how respondents categorized the portable DVD-players chosen for this study. In the conducted interviews five different portable DVD-player product cards were presented to the respondents. The chosen portable DVD-players are illustrated in table 6. In order to gain meaningful and interesting results it was important that the selected portable DVD-players were different according to brand, viewing time duration, screen size and price.

Table 6. Portable DVD-players chosen for the study.

Brand	Viewing Time	Screen Size	Price
Sony	4 hours	9 inches	249€
Sandstrøm	4 hours	9 inches	149€
Philips	-	7 inches	129€
Nextbase	2 hours	7 inches	109€
Hitachi	2 hours	7 inches	79€

First we will examine the meanings linked to the portable DVD-player product category as a whole, after which the meanings related specifically to the Sandstrøm portable DVD-player will be analyzed.

4.4.1. Meanings linked to portable DVD-players

Figure 12 illustrates the means-end chains for portable DVD-players. It shows the attributes that respondents felt were meaningful in categorizing portable DVD-players, the consequences that these attributes provided them and the values the respondents linked to these consequences. Many of the respondents admitted that they were not familiar with this product category and so found the portable DVD-players somewhat harder to categorize compared to the other product classes. Most of the respondents categorized the portable DVD-players according to their own needs but a couple of respondents mentioned that their categorizations reflected the needs of the end users, who in this case were small children.

In the portable DVD-player product category the *attributes* that the respondents based their categorizations on were: 1) viewing time duration, 2) screen size, 3) supported file types, 4) ability to connect the device to a television, 5) appearance, 6) duration of the product guarantee, 7) items contained in the product package, and 8) brand image. The size of the screen, viewing time duration and supported file types affected respondents' categorizations the most.

Firstly, most of the respondents categorized the portable DVD-players according to the duration of the viewing time on the device, meaning how long the appliance can replay recorded films with the same batteries, and according to the size of the screen. Respondents felt that the viewing time on the machine should be as long as possible and the size of the screen should be quite large.

"I would consider Group 2 (Sony, Sandstrøm). Categorized them by viewing time, the most important criterion. Group 2 has 4 hours. And according to screen size. Group 2 has a 9 inch screen. Percentage wise 2 inches a lot more than 2 inches less." (R3, m)

Meanings linked to portable DVD-players

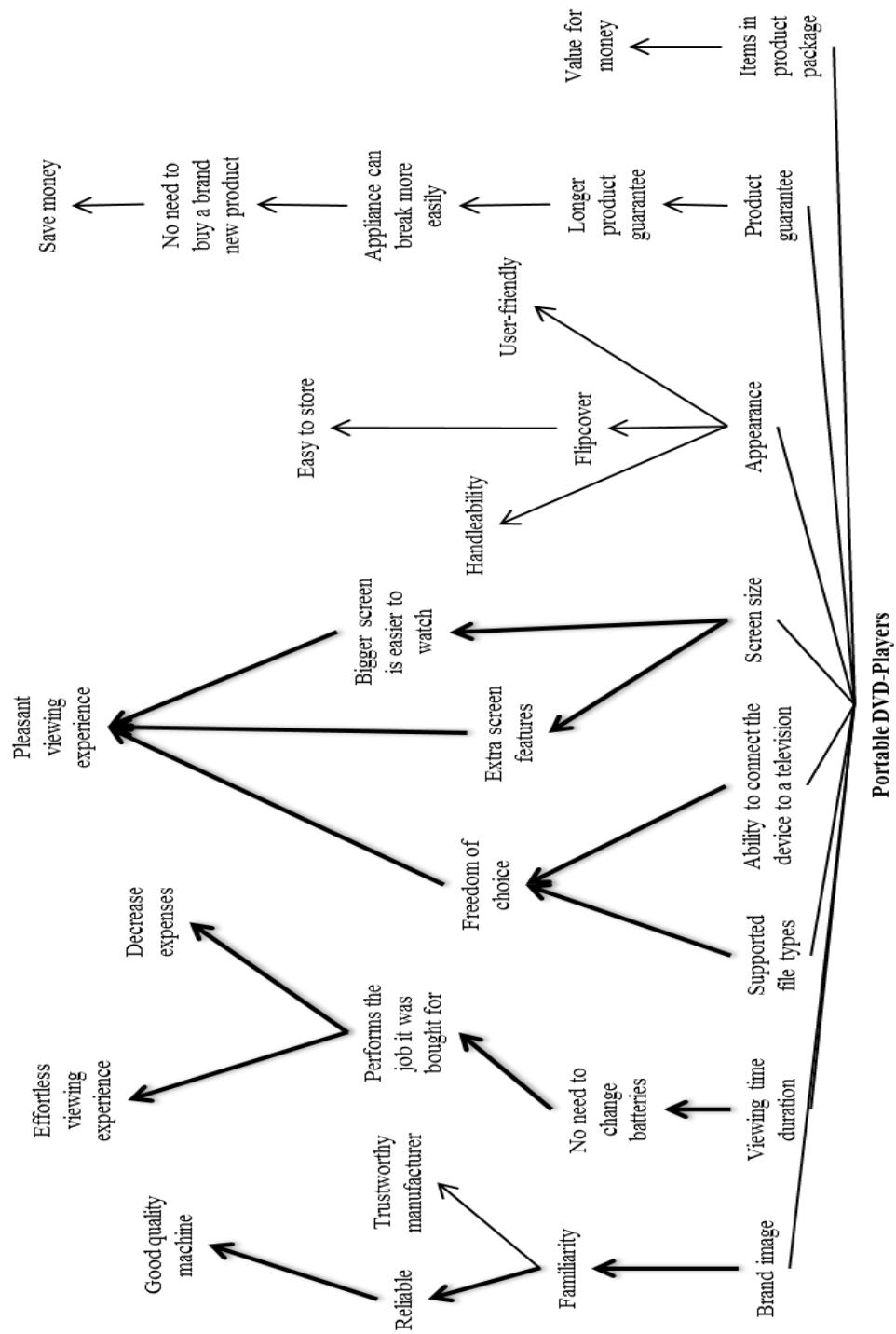


Figure 12. Hierarchical value map for portable DVD-players.

“The viewing experience is more pleasant when the screen is bigger and if the screen is very small eyes get strained. Still, a portable machine has to be compact but the screen has to be as big as possible.” (R4, f)

Furthermore, another important attribute that affected respondents’ categorizations of portable DVD-players was the number of supported file types on the device. The supported file types were listed on each product card and varied a great deal between devices.

“I would prefer Nextbase the most, it supports the largest range of file types from these three. So in Group 1 (Hitachi, Nextbase, Philips) the most important criterion is the number of supported file types.” (R2, m)

In addition, the ability to connect the device to a television was meaningful to respondents as was the appearance of the portable DVD-player. Whether the appliance can be connected to a television or not affected many respondents product categorizations. Therefore, the ability to connect the portable DVD-player to a television is an important attribute and many respondents also felt that it was a pity that this information was not shown clearly on many of the product cards. Furthermore, for some respondents the appearance of the product was a determining attribute. Many respondents wanted a compact and a modern-looking machine. Some respondents mentioned that a closing lid on the appliance is an important factor.

“Sony’s product card also tells you more clearly how you can connect it to a TV. It’s really important to be able to connect it to a TV.” (R7, m)

“Categorized them according to appearance and handleability. Group 1 (Philips, Sandstrøm, Hitachi, Sony) products remind me more of a computer and therefore I would choose one of them. A closing lid is also important.” (R1, m)

“In all electronic products the appearance is an important factor. The product has to look good as well. A portable appliance has to be compact but the screen as big as possible.” (R4, f)

Also, other product attributes that influenced some respondents’ categorizations to an extent included the duration of the product guarantee and the items contained in the product package. Some respondents felt that a longer guarantee is better, especially in a situation where the end-users of the appliance are children. During the interviews some

respondents also compared the portable DVD-player product cards according to the items contained in the product package. Therefore, in their categorizations they considered what is included in the whole package, which varied to some extent between products.

“Duration of the product guarantee also affects my choice. It’s important on a general level with any consumer electronics products.” (R4, f)

“Because the end-users are children and the appliance is used in a car, the duration of the product guarantee has to be long.” (R6, f)

“Also, what the package contains. It is really important what is included in the whole package in relation to its price.” (R1, m)

Finally, the brand familiarity and image, in other words what the brand represents, were very significant for some respondents. When categorizing the products the respondents paid attention in particular to the familiarity of the brand. Since many respondents were not familiar with the portable DVD-player product category, in their categorizations they looked for brand names that they recognized from other product groups.

“Sony’s and Philip’s brand image and reliability are good. I know them. Sandstrøm I don’t know.” (R8, m)

Moreover, in the portable DVD-player product category the *consequences* that the above mentioned product attributes provided respondents included: 1) no need to change batteries, 2) easier to watch, 3) freedom of choice, 4) handleability, 5) user-friendly, 6) easy to store, 7) reliable, 8) good quality machine, 9) appliance can break easily, 10) no need to buy a brand new product, and 11) value-for-money.

Most of the respondents mentioned during their categorizations of the portable DVD-players that it is very important that they do not need to change new batteries into the device all of the time. They connected this consequences to the duration of the viewing time on the portable DVD-player. Therefore, the longer the viewing time on the appliance the less often the batteries need to be changed. This consequence was further related to the consequence of having an appliance that performs the job it was bought for, since a film could easily last longer than two hours.

“Don’t have to keep charging it constantly or changing new batteries. It performs the job that it was bought for.” (R6, f)

“A film could last longer than two hours, you wouldn’t even be able to watch one film all the way through. Performance certainty, you don’t have to change batteries half way through.” (R3, m)

“If you take it with you somewhere it would be nice to watch more than one film without having to switch batteries.” (R5, m)

Furthermore, another consequence that respondents mentioned during their categorizations of the portable DVD-players was the fact that they wanted the appliance to make watching a film as easy as possible for them. This consequence was directly related to the screen size attribute. Respondents felt that a film is easier to watch and it does not strain the eyes as much when the screen size is as big as possible on the machine. Some respondents also mentioned that a film looks better on a bigger screen just like when a film looks better on a bigger television screen.

“The bigger the screen, the better. A film looks better from a bigger screen.” (R3, m)

“A larger screen is better because when it’s too small you have to squint too much. You can’t really see.” (R5, m)

In addition, the consequence of freedom of choice was very important for respondents. Respondents felt that it was crucial that the portable DVD-player allows them the freedom of choice to watch a large range of films of different file types. Therefore, the fewer file types the device supports, the less choice the respondents felt that they had regarding what they can watch with the machine. This consequence was related to the number of supported file types attribute as well as the ability to connect the device to a television attribute.

“There are so many different formats available that it’s a pity if your machine doesn’t support something that you have so it’s always good that it supports a large range of file types.” (R2, m)

“If it supports a lot of different file types it gives me the freedom of choice of what I can play. I’m not constrained to a situation where this model only works with this.” (R7, m)

Furthermore, some respondents noticed that the consequences of handleability, user-friendly and easy to store were very important when categorizing the portable DVD-players. Respondents related these consequences to the appearance attribute of portable DVD-players. Therefore, some respondents felt that the appearance of the product is directly related to how the product feels in your hands as well as how easy it is to use. Further, some respondents mentioned that it is essential that the product has a flip cover because it is easier to store without damaging the screen.

“It seems like these modern ones are easier to use. They look more user-friendly. When the lid closes, it’s much easier to store.” (R1, m)

“Because I’m not familiar with this product group I would want to test them and see what they feel like in my hands and how much they weigh.” (R4, f)

Most respondents also mentioned the consequences reliable and good quality machine when categorizing the portable DVD-player product category. Some respondents mentioned having had bad experiences when buying consumer electronics from unknown brands, which had taught them to be cautious. Therefore, it was meaningful to respondents that the portable DVD-player product is reliable which includes the fact that the manufacturer of the product is trustworthy. These were further linked to the consequence of choosing a good quality machine. Respondents felt that the brand image attribute, which includes brand familiarity, is a good indicator for assessing the reliability and quality of the product.

“I have previous experience of an unknown brand breaking almost instantly after being bought. That has taught me to be more careful.” (R8, m)

“Out of these two (Sony, Sandstrøm) Sony is more familiar. I believe it’s a trustworthy manufacturer and reliable.” (R7, m)

“With unknown brands I have no experience whether it keeps its value proposition and does it last as long, where is it serviced. Uncertainty.” (R4, f)

Finally, some respondents recognized the consequence that a portable DVD-player can break more easily compared to other consumer electronics because the device is mainly used by children in a car. Therefore, some respondents felt that it was important that the product guarantee is as long as possible in case the product breaks shortly after being purchased. This was further related to the consequence of not having to purchase a brand new machine each time the device breaks. These consequences were related to the

duration of the product guarantee attribute. Also, another important consequence that some respondents mentioned in their answers was being able to select the portable DVD-player product that would give them the most value-for-money. This suggests that some respondents felt it was important that the product package includes all the items that are essential in using the product at different locations for example at home, in the car, etc. The items contained in the product package varied a great deal between different portable DVD-players and thus, the results indicate that respondents felt it was important that they do not have to purchase extra parts and components on top of the actual portable DVD-player in order to be able to use it. This consequence was related to the attribute items contained in the product package.

“Taking into account the purpose its used for, the likelihood that it will break a number of times is very high and so it will be very expensive if every time you have to buy a brand new machine so in these situations it’s good to have a proper guarantee.” (R6, f)

“What’s contained in the whole package is really important in relation to the price. What you get with your money, that’s what counts. I don’t have to buy things that I need for it separately.” (R1, m)

In addition, the *values* that respondents mentioned when categorizing the portable DVD-player product category included: 1) pleasant viewing experience, 2) effortless viewing experience, 3) decrease expenses, and 4) happiness. It is good to note that for the sake of this study the above elements have been grouped under values. However, in reality it is very difficult to know which elements are consequences and which elements are actual values.

Many respondents felt that the most important value that they related to portable DVD-players was the value of a pleasant viewing experience. Therefore, a pleasant viewing experience was the most important thing that respondents strived for when categorizing the products. The screen size attribute, supported file types attribute and ability to connect the device to a television attribute allowed respondents to achieve this value.

Furthermore, respondents valued an effortless viewing experience which was directly linked to the viewing time duration of the portable DVD-player and the consequences of not needing to change batteries constantly and it performs the job it was bought for. The results further suggest that the values of a pleasant viewing experience and an effortless viewing experience could be linked to the value of happiness. In other words,

respondents seemed to value the feeling of happiness with life in general and thus, looked for products that would help them to attain this value. Finally, the results also show that respondents related the consequences of not needing to change batteries constantly and it performs the job it was bought for to the value of decreasing expenses. Therefore, respondents valued the fact that they do not need to spend more money than they have to on a portable DVD-player and so are able to decrease their expenses in the long run.

“The most important factor is how pleasant the viewing experience is. Changing batteries costs money and somehow feels like a waste.” (R5, m)

“It has to be as effortless as possible.” (R6, f)

“You don’t have to buy batteries all the time. Takes a lot of effort and costs money.” (R8, m)

“I can’t be bothered to carry batteries around all the time. They have (Sandstrøm, Sony) double the amount of viewing time with new batteries. A cost issue and takes up a lot of time. Saves time and money.” (R3, m)

Next, the meanings linked specifically to the Sandstrøm portable DVD-player are discussed.

4.4.2. Meanings linked to the Sandstrøm portable DVD-player

Interestingly, most of the respondents categorized the Sandstrøm portable DVD-player together with the Sony portable DVD-player. Therefore, the Sandstrøm and Sony portable DVD-players were mainly in their own group with the other alternatives placed into another group or two. The Sandstrøm portable DVD-player was also categorized with the Philips and the Hitachi brand.

The findings show that the Sandstrøm portable DVD-player and the Sony portable DVD-player were the products that respondents were the most interested in. Respondents mostly categorized the Sandstrøm and Sony portable DVD-players into the considered group. Therefore, the results suggest that in this product category they were the main rivals and the other alternative brands were not perceived by respondents as favorable options. The meanings linked to the Sandstrøm portable DVD-player are shown in figure 13.

Meanings linked to the Sandstrøm portable DVD-player

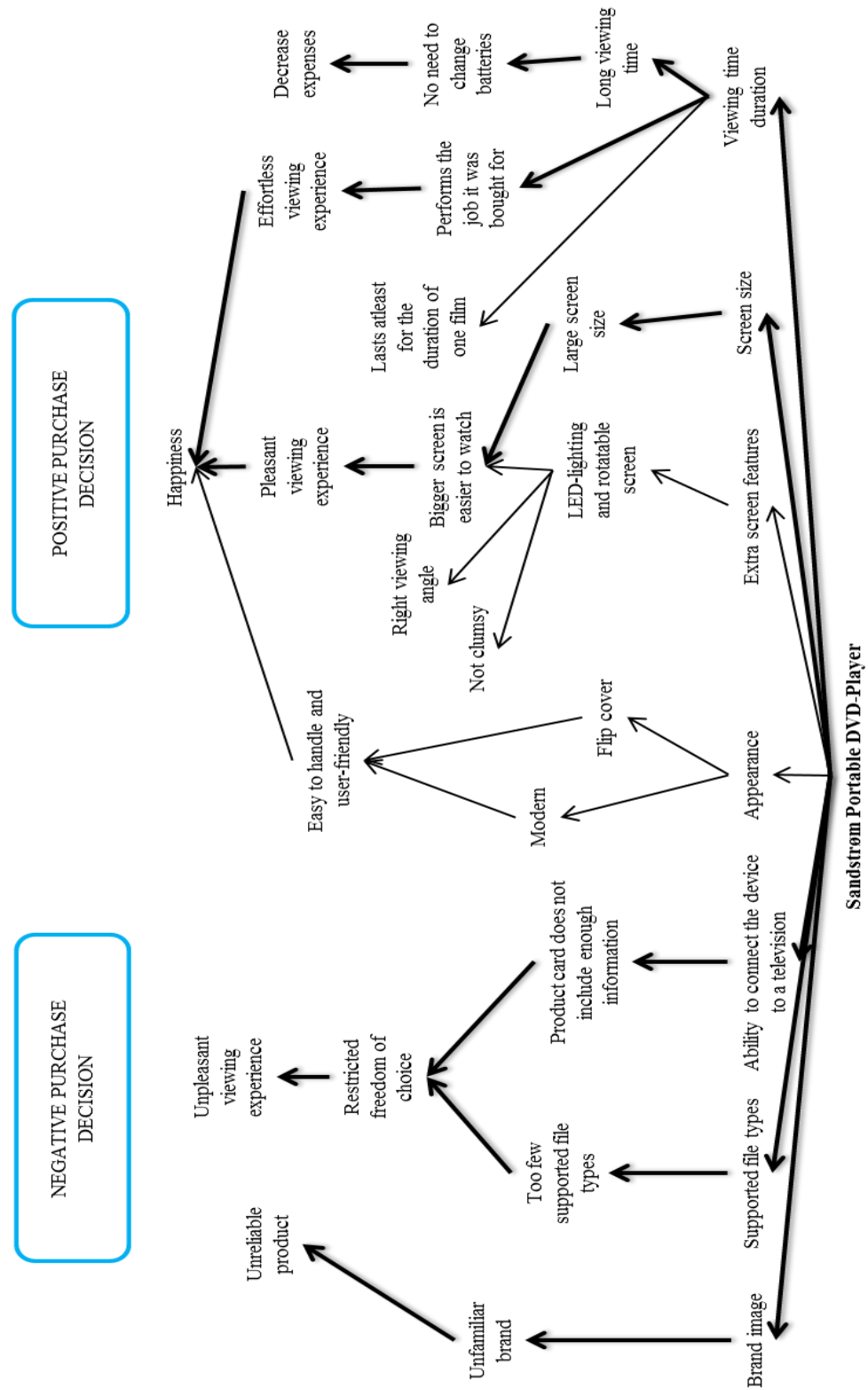


Figure 13. Hierarchical value map for the Sandstrøm portable DVD-player.

Firstly, many respondents categorized the Sandstrøm portable DVD-player into the considered group due to the products long viewing time duration. Respondents felt that the duration of the viewing time on the Sandstrøm portable DVD-player was a lot longer than on most of the other alternatives. A long viewing time was very important for respondents because they related this attribute to the consequence of not needing to change batteries constantly and to the consequence of it performs the job it was bought for. Therefore, a long viewing time helps respondents to achieve their value of an effortless viewing experience and assist with decreasing expenses.

“I categorized them according to viewing time duration, the most important criterion. Group 2 (Sony, Sandstrøm) has four hours.” (R3, m)

“Important to have the viewing time duration as long as possible. It’s as effortless as possible, no need to charge it constantly or change new batteries. It performs the job it was bought for.” (R6, f)

Most respondents also categorized the Sandstrøm portable DVD-player according to the product’s large screen size. Only the Sandstrøm and Sony brands had a 9 inch screen with the other alternatives having a smaller screen of 7 inches. The large screen size on the Sandstrøm portable DVD-player was very significant for respondents because they felt that a bigger screen is a lot easier to watch and thus, helps to attain their goal of a pleasant viewing experience. Also, most of the respondents mentioned in their answers the extra screen features that are included on the Sandstrøm portable DVD-player. The respondents felt that the rotatable screen and the LED-lighting together with the large screen size would further enhance the quality of the viewing experience for the user.

“I also categorized them according to screen size. Group 2 (Sony, Sandstrøm) has 9 inch screens.” (R3, m)

“I could imagine that the LED-lighting would be more pleasant when in-use so Sandstrøm. The screen sounds clever and rotatable so it’s easier to watch. Sony seems a little clumsy. A pleasant watching experience is an important factor.” (R5, m)

“The rotatable screen is quite good on Sandstrøm so you can always get the right viewing angle. A pretty good attribute so you don’t get a reflection. If you have a number of viewers like children around the screen they can see the picture better. A higher quality viewing experience.” (R8, m)

Moreover, many respondents categorized the Sandstrøm portable DVD-player according to the number of supported file types on the device. Respondents noticed that the Sandstrøm portable DVD-player did not include as many supported file types as some of the other alternatives, namely Sony. The supported file types attribute was very important for a number of respondents because it allows them the freedom of choice to watch movies that have been recorded in different file types, and decreases the likelihood that there will be a situation where the device will not support the file type of a movie.

“I would consider Sony because it has these supported file types.” (R7, m)

“Sandstrøm would drop out because it doesn’t support MPED4 at all so it might not show all types of movies. It doesn’t support nearly as much as the Sony does.” (R3, m)

In addition, some respondents mentioned in their answers the appearance of the Sandstrøm portable DVD-player. They felt that the Sandstrøm portable DVD-player had a more modern appearance and design than many of the other alternatives. Also, some respondents preferred a portable DVD-player that has a closing lid on it, which was offered by the Sandstrøm product. The appearance attribute was important for respondents, since it was directly related to the product’s handleability and how user-friendly it is. These consequences then helped respondents to achieve their value of an effortless viewing experience.

“The first thing that caught my eye was the appearance. This is modern this Sandstrøm. Stands out from the rest. It’s modern with this Philips as well. It’s pleasing to look at and somehow these modern ones look like they are easier to use. They look more user-friendly but I don’t know because I haven’t tried them.” (R1, m)

“It’s important to have a lid that can be opened.” (R4, f)

Finally, during the interviews some respondents mentioned the brand image of the Sandstrøm portable DVD-player as well as the ability to connect the device to a television. A few respondents felt that the Sandstrøm portable DVD-player product could be an unreliable product because they did not recognize the brand. Therefore, respondents linked the familiarity of the brand with reliability and how trustworthy the manufacturer is. Also, some respondents mentioned that the Sandstrøm portable DVD-player product card did not include enough information about the ability to connect the

device to a television. This is because respondents noticed that some other alternatives included this information more clearly on their product cards. The ability to connect the device to a television was very important for respondents because it helped them to achieve their value of a pleasant viewing experience.

“From these two (Sandstrøm, Sony) Sony is more familiar. I think that it’s a safe manufacturer and reliable. Sony also tells you more clearly that you can connect it to a TV, which is very important.” (R7, m)

“Sony’s and Philips’s reputation and reliability are good, I know them but I don’t know Sandstrøm.” (R8, m)

Now that each product category has been analyzed separately, the next section will discuss the meanings related to the Sandstrøm private label brand overall.

4.5. Meanings related to the Sandstrøm private label brand

Meanings related to the Sandstrøm private label brand section answers the third objective of the study which aims to identify and analyze the meanings linked to the whole Sandstrøm private label brand. Essential to understanding how the Sandstrøm brand positions in the minds of consumers is to recognize the overall meanings linked to the brand. Therefore, this section will bring together and examine all of the meanings that consumers relate to the Sandstrøm brand, which go beyond the associations that they have towards specific product categories. This will be achieved by combining and analyzing information from the research findings with the information discovered in the theoretical pre-understanding of the study. Figure 14 illustrates the meanings that are associated with the Sandstrøm brand in the household appliances and consumer electronics industry.

Firstly, the results show that consumers associate *credible pricing* with the Sandstrøm brand. The Sandstrøm brand is also perceived to have *good quality appliances according to price*. The results imply that in the household appliances and consumer electronics industry consumers tend to evaluate a product’s perceived quality by its price tag and compare it to the price of alternative products. The results also portray that consumers relate *value-for-money* with the Sandstrøm brand. In the household appliances and consumer electronics industry consumers tend to evaluate a product’s

value by comparing the price to the amount of features and other intangible attributes that are included on the product. These findings are in line with Beneke et al.'s (2013: 219, 224) work who state that consumers evaluate the quality of a product higher if the relative price of the good is high compared to competing brands as well as that perceived relative price has a considerable positive relationship with consumers' perceived product value.

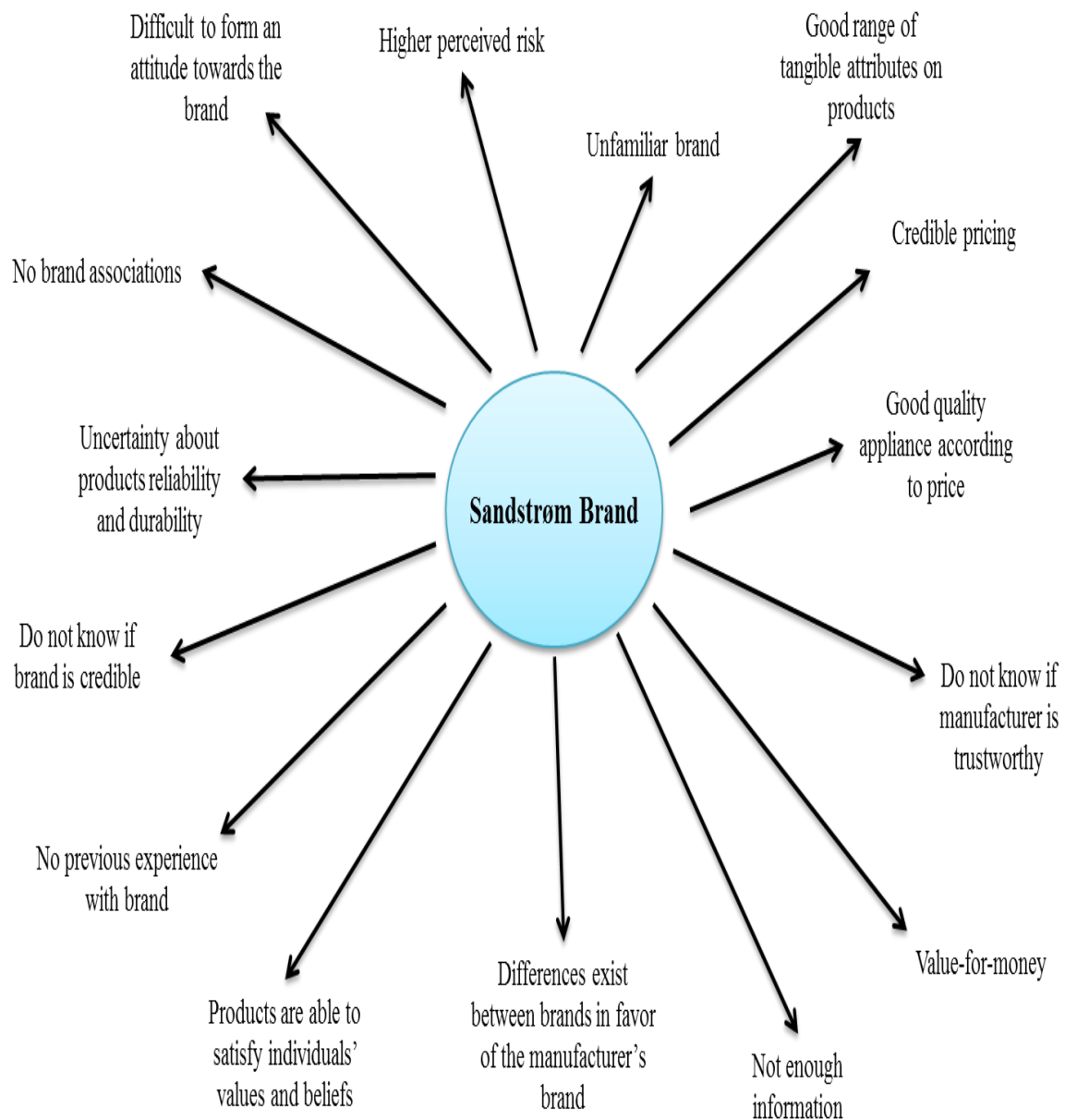


Figure 14. Meanings associated with the Sandstrøm brand.

Furthermore, the results illustrate that consumers associate the meanings *not enough information* and *not sure if the brand is credible* with the Sandstrøm brand. The results imply that in the household appliances and consumer electronics industry consumers would rather have too much information about a product and the brand, than too little especially when the brand is unfamiliar to the customer. This finding is in line with Beneke et al.'s (2013: 225) work who have noticed that the credibility of a private label brand can be enhanced by having objective information on packaging and other sources about product attributes as well as including statements of manufacturing quality and seals of approval.

In addition, the results demonstrate that consumers associate *higher perceived risk* with the Sandstrøm brand. The results imply that in the household appliances and consumer electronics sector consumers feel a high perceived risk towards unfamiliar brands. The higher the monetary sacrifice related to the product, the more wary consumers become of brands that exert a higher perceived risk. Consumers would rather choose the familiar brand in order to decrease the perceived risk felt towards the purchasing situation. This finding is similar to Peter and Olson's (2008: 74-75) and Kotler et al.'s (2009: 253) work who have found that consumers want to reduce the perceived risk with a purchasing situation by choosing more well-known brands over unfamiliar brands.

Consumers also related the meanings *uncertainty about products' reliability and durability* as well as *not sure if the manufacturer is trustworthy* with the Sandstrøm brand. In the household appliances and consumer electronics industry a great deal of consumers are more aware of the quality and performance risk associated with an appliance than the monetary sacrifice. This finding is in line with Sivakumar's (1996: 19) work who discovered that the quality effect may be more important than the monetary sacrifice in a situation where the consumer is interested in the performance risk of the product more than the financial risk. Therefore, in the household appliances and consumer electronics industry it is critical for consumers to be certain that the brand represents products that are reliable and durable and that the manufacturer of the brand is trustworthy.

Moreover, the results of this study illustrate that the Sandstrøm brand is associated with the fact that *differences exists between brands in favor of the manufacturer's brand* by consumers. Therefore, when consumers have a high level of knowledge and

involvement with a product category, they perceive that there are differences between the Sandstrøm brand and alternative brands in favor of the manufacturers' brands. This means that the consumers are unlikely to choose the Sandstrøm brand because of these perceived differences. This finding is similar to Miquel et al.'s (2002: 13) work who found that the private label option will be less likely to be chosen if differences are observed in favor of the manufacturer's brand due to the greater knowledge of the product class.

Furthermore, the results show that consumers associate the meanings *unfamiliar brand* and *no previous experience* with the Sandstrøm brand. Consumers feel that the Sandstrøm brand is unfamiliar to them and that they do not know the brand from anywhere. Therefore, consumers feel higher perceived risk towards the Sandstrøm brand, since they have never heard of the brand or had any previous experience with it in other product categories. This finding supports Baltas's (1997: 320) work who states that brand familiarity has a direct link to perceived risk and thus, the lower the familiarity of the brand the higher the risk perceived by consumers towards the private label. The results also illustrate that the Sandstrøm brand is perceived to have *a good range of tangible attributes on products* by consumers. Consumers, who have a high level of knowledge confidence with product categories in the household appliances and consumer electronics sector, perceive that the Sandstrøm branded products include a versatile range of physical attributes which make the Sandstrøm brand a good alternative to consider in a purchasing situation, especially for certain customer segments with specific requirements. This finding is in line with Laroche et al.'s (1996: 115-116, 120) work who found that consumers who have a high level of knowledge confidence with a product category are able to evaluate the strength of each brand in that product class according to available attributes, how significant each attribute is and the performance level of each brand on these attributes.

In addition, the results suggest that consumers *do not have any brand associations towards the Sandstrøm brand* and they find it *difficult to form an attitude towards the brand*. Consumers do not have any brand associations towards the Sandstrøm brand because the brand is unfamiliar to them and they have no previous knowledge about the brand. French and Smith (2013: 1357) have found that brand associations form the core of decision making by providing consumers with a reason to purchase and help build positive feelings and attitudes towards the brand. The lack of brand associations would therefore explain why consumers feel that they do not know the brand and what it represents and find it difficult to choose the private label option. The fact that the

Sandstrøm brand's awareness level is very low would also explain why consumers find it difficult to form an attitude towards the brand. When consumers have no information about the brand, they can only acknowledge the fact that this brand exists. The results suggest that they decide how to act and feel towards the unfamiliar brand by utilizing an attitude from memory that has formed previously during a similar situation. This finding would support Kotler et al.'s (2009: 249) work who state that attitudes guide consumers mentally to act in a consistent way when presented with similar concepts.

Finally, the results also suggest that consumers perceive that the *Sandstrøm products are able to satisfy different values and beliefs in an individual's value system*. Consumers values and opinions about different attributes and the consequences they provide differ to some extent depending on the product group. Nevertheless, the results show that the Sandstrøm brand was able to satisfy a variety of individual values and beliefs in each product class studied in this paper. This finding supports Vinson et al.'s (1977) work who has studied the value system of individuals and how it can affect choice behavior. The values and beliefs that the Sandstrøm brand satisfies have been illustrated under each product category in the previous section.

5. CONCLUSIONS AND MANAGERIAL IMPLICATIONS

The aim of this study was to analyze how consumers categorize Gigantti's private label brand in different product groups. Therefore, the research problem for this study was defined as *how does Gigantti's private label position in the minds of consumers?* Three objectives were set in order to answer the research problem. The aim of the first objective was to build a theoretical understanding of the factors influencing consumers' private label categorizations, which was accomplished in the second chapter of this study. The theoretical pre-understanding section of this paper was a prerequisite to implementing and analyzing the empirical part of the study. The third chapter focused on describing the research method used in this study and evaluated the validity and reliability of this paper. In this study eight interviews were conducted altogether and the laddering interviewing technique was utilized as the research method.

Furthermore, the aim of the second objective was to understand how consumers categorize the Sandstrøm private label brand in different product categories. The second objective was answered in the first four sections of the fourth chapter, while the final section of the fourth chapter concentrated on answering the third objective of the study. The aim of the third objective was to identify and analyze the meanings linked to the Sandstrøm private label brand. Therefore, the last section recognized the overall meanings linked to the Sandstrøm brand by combining and analyzing information from the research findings with the information discovered in the theoretical pre-understanding of the study. This chapter presents the conclusions of this study as well as the managerial implications for Gigantti, which can be found at the end of the chapter.

The purpose of this research paper was accomplished, since the study defines how consumers evaluate and categorize the Sandstrøm brand in the chosen product groups, and finally presents the overall meanings related to the Sandstrøm brand, which together show how the Sandstrøm brand positions in the minds of consumers at this point in time. One of the most important outcomes of this research paper is the fact that consumers seem to categorize the Sandstrøm brand differently depending on the product category. Therefore, how the brand is categorized is very category specific. However, there were some similarities between meanings in different product groups as well. Overall, the Sandstrøm brand was perceived to have a good range of tangible attributes on products in all the product categories studied in this research paper as well as credible pricing. These findings are very interesting and show that in the household

appliances and consumer electronics industry the retailer of the private label has to understand the similarities and differences between product categories in order to have a successful private label brand.

Furthermore, another very important outcome of this study is the fact that only a certain number of attributes are especially meaningful to consumers in a purchasing situation. Therefore, consumers evaluate alternative products according to a few specific attributes that they feel are meaningful, and ignore the rest of the product features. The results show that this is true for all the product categories examined in this study. This finding further reinforces the fact that a retailer of a private label in the household appliances and consumer electronics industry should understand each product category as a separate entity and acknowledge the attributes, consequences and values that define consumers categorizations in each product class.

In addition, an interesting outcome of this study is the fact that image and familiarity of the brand have a very crucial role in consumers product categorizations in the household appliances and consumer electronics industry. Especially when product prices increased for example, in the dishwasher product class, the familiarity and image of the brand were very important to consumers. The results suggest that these attributes lower consumers perceived risk with the product choice and the chances of making a mispurchase. Therefore, the Sandstrøm brand was recognized as an interesting option and categorized more favorably in the coffee machine and portable DVD-player product categories, where brand familiarity was not as important to respondents. It is also good to note that the results of this study show the problem areas for the Sandstrøm brand and provide important ideas for developing the brand and its products in the future (these are discussed further in the managerial implications section). Also, the meaningful consequences and values mentioned by respondents further provide Gigantti with valuable ideas for designing marketing campaigns and raising Sandstrøm's brand awareness in the future.

Moreover, the research results illustrate that the meanings that consumers associate with the Sandstrøm brand differ between different product categories. The reason for this could be explained by the fact that the attributes that consumers found meaningful and important varied to some extent between product categories. In the dishwasher product category, which represents "big ticket" items, the meanings *unfamiliar brand*, *no previous experience*, *not enough information* and *uncertainty about product's reliability and durability* were mainly related to the Sandstrøm brand. Also, the research results

portray that in the microwave oven product group the key meanings related to the Sandstrøm brand included *unfamiliar brand, no previous experience, too many extra features* and *is not a simple microwave oven*. However, in the coffee machine product class the Sandstrøm appliance was categorized more favorably. The meanings *interesting looking appliance, provides better quality coffee, good price* and *safety* were mainly related to the Sandstrøm brand. Finally, the results show that in the portable DVD-player product category the key associations related to the Sandstrøm brand included *provides an effortless and pleasant viewing experience, decreases expenses*, but *restricts the user's freedom of choice by having too few supported file types*. These results therefore imply that each product category in the household appliances and consumer electronics industry needs to be viewed and understood separately from other product groups in order for a private label to be successful.

Finally, from the marketing perspective this paper brought to light new information regarding how private labels are categorized in the household appliances and consumer electronics sector and how favorably consumers evaluate a private label in this industry. Since a large proportion of previous studies have concentrated on private labels in the convenience goods sector, this study gives a good insight into how consumers categorize and evaluate private label brands in an industry where product prices and frequency of purchases differ to a great extent from the convenience goods sector. However, further research of a quantifiable nature is needed to verify and reinforce the results found in this study. Nevertheless, since private labels are currently being introduced into new industries, such as durable goods, this research paper provides relevant information, not just for the retailer of the Sandstrøm brand, but to marketing managers of manufacturers' brands and other private labels about the attributes, consequences and values that consumers find meaningful in these specific product categories.

For the purposes of future research, researchers could further test the relevance of the findings presented in this study by using a different research method and a larger sample of consumers, which would allow to quantify the results. Also, future research could concentrate on examining other product categories in the household appliances and consumer electronics industry. Such work would provide a more extensive understanding of how private labels are evaluated and categorized in the household appliances and consumer electronics industry.

5.1. Managerial implications for Gigantti

The managerial implications relate to the opportunities and challenges for the Gigantti retailer in developing the Sandstrøm private label brand in the household appliances and consumer electronics industry. This section identifies some of the main opportunities and challenges for Gigantti in developing the Sandstrøm private label brand.

Firstly, the research findings show that consumers pay attention to different types attributes depending on which product category is in question. This could be because the personal values that consumers try to achieve with their product purchases vary to some extent in different product categories. Therefore, also the attributes that are most important and meaningful to consumers vary according to the product group. This suggests that each product category in the household appliances and consumer electronics market should be seen by marketing management as separate entities. In order to develop Sandstrøm's competitive position Gigantti's marketing management should understand which attributes are meaningful to the target segment in each product category and develop the Sandstrøm appliances product as well as brand attributes according to this information.

Furthermore, the research results implied that the Sandstrøm products should include much more information about the appliance's attributes and features and especially about the attributes that are important for consumers. Many respondents mentioned during the interviews that the product cards either did not have enough information or in some cases did not even include the information about the attributes that affected product choice. For example, in the dishwasher product category the Sandstrøm dishwasher did not include any information about the duration of the quick wash program, which the results suggest was a very meaningful attribute for respondents when categorizing dishwashers. For many respondents this meant having to set the product aside even though the product had other interesting features.

The findings also imply that in the household appliances and consumer electronics market the more information the consumer has about the product and the manufacturer, the more trust the product generates in consumers, which could lead to a positive purchasing choice. Trust is important because it has a positive impact on perceived quality and value as well as lowers the product's perceived risk. According to these research results developing the information packages of Sandstrøm products and including as much information about the attributes that are meaningful to consumers,

would create a significant competitive advantage for the brand and increase the likelihood that the private label is chosen in a purchasing situation.

Furthermore, the research results suggest that Gigantti's marketing managers should develop the Sandstrøm brand's familiarity among target segments for example through advertising campaigns. By raising the brand's awareness level its competitive advantage against manufacturers' brands would greatly increase. This is essential due to brand awareness being so critical to consumers in some household appliances and consumer electronics product groups that if they do not recognize the brand at all, they will not buy it.

Similarly, another strategy to increase the Sandstrøm brand's familiarity and consumers' trust in the brand, is to develop ways in which consumers can try out and experience for themselves how the appliances work and what their capabilities are. The results indicate that this would be especially useful for extra product features that many consumers are wary of because they have never used them before or do not understand their value, such as the grill feature in the Sandstrøm microwave oven. The retailer has all the capabilities to enable consumers to experiment with different product features in the retailer's shop and it would also be a great advantage in building trust in the brand and increasing brand awareness.

Finally, the research results also show that in the household appliances and consumer electronics sector consumers can be segmented according to their involvement level with the product class. For example, in the coffee machine product category respondents could be divided into different segments according to their involvement level with coffee. Some found the Sandstrøm product very interesting due to its grind mill feature and others would not consider it because they were brand loyal to Moccamaster. Therefore, for coffee lovers it was very hard for any other brand to compete with the Moccamaster brand, while respondents who did not place so much emphasis on coffee were more ready to consider other brands. Interestingly, some respondents felt that they could buy the Sandstrøm coffee machine as an extra appliance on top of their Moccamaster coffeemaker that they used daily. The results indicate that Gigantti's marketing managers could improve the Sandstrøm brand's competitive advantage by targeting a specific segment of customers in a product category and customizing product features and advertising according to their personal values instead of trying to appeal to everyone. This would include highlighting the attributes, consequences and values that are meaningful to that specific target segment.

In conclusion, this study has given an insight into how consumers categorize a private label brand in the household appliances and consumer electronics industry. Gigantti's marketing managers can increase the Sandstrøm brand's market share and affect consumers brand choices in a purchasing situation by understanding the brand's current positioning in the minds of consumers in a specific product category, and using this information to develop that positioning in the future.

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Appendices 1. Sandstrøm product card for dishwashers.**Sandstrøm Astianpesukone****Tyyppi:** Integroitava malli 15 hengen astiastolle.**Ohjelmat ja asetukset:** mallissa on 9 ohjelmaa ja 4 lämpötilaa.**Ominaisuudet:** Käyttäjäystävällinen LED-näyttö.**Tekniset tiedot:**

Energialuokka:	A++
Energiankulutus (kWh/vuosi):	270
Kuivausluokka:	A
Astiastojen lukumäärä:	15
Vedenkulutus (l) vuosi:	3080
Äänitaso (dB):	

Turvallisuus ja toiminnot:

Lapsilukko:	Ei
Mekaaninen vesivahinkosuoja:	Kyllä
Vedenpehmennin:	Kyllä
Nopein pesuohjelma:	-
Automaattinen ohjelma:	Kyllä
Näyttö (toiminnot):	Kyllä
Viivästetty käynnistys:	Kyllä
Jäljellä olevan pesuajan ilmaisin:	Kyllä

Muut:

Kori ruokailuvälineille:	Ei
Taso ruokailuvälineille:	Kyllä
Yläkorissa säädettävä korkeus:	Kyllä
Sisävalo:	Ei
Mukana sivupaneeli:	Ei
Sivut samanväriset kuin etupaneeli:	Ei
Standardiovi:	Ei
Jalkalista mukana:	Kyllä
Korkeus (min-max, cm):	81.5-86.5
Leveys (cm):	59,80
Syvyys (cm):	57,00
Paino (kg):	44,00
Tuotetakuu:	2 vuotta

Hinta: 449 €

Appendices 2. Sandstrøm product card for microwave ovens.**Sandstrøm Mikroaaltouuni****Yleiset ominaisuudet:**

Vapaastisijoitettava / Integroitava:	Vapaastisijoitettava
Unin nettotilavuus (l):	25
Mikron teho (W):	900
Asetusten hallinta:	Elektroninen

Ohjelmat ja toiminnot:

Grilli:	Kyllä
Grillin teho (W):	1400
Kiertoilma:	Kyllä
Kiertoilman teho (W):	2400
Automaattinen sulatus:	Kyllä
Automaattinen ohjelma:	Kyllä
Pyörivä lautanen:	Pyörivä 31,5 cm alusta
Lapsilukko:	Kyllä
Ohjelmat:	Useita ohjelmia, kuten lämmitys, auto-ohjelma, kuumailma, sulatus, grillaus, yhdistelmä lämmitys, pikalämmityksen aloitus

Muut ominaisuudet:

Väri:	Teräs
Korkeus (cm):	31,00
Leveys (cm):	51,30
Syvyys (cm):	48,00
Paino (kg):	19,50
Takuuaika:	2 vuotta

Hinta: 199 €

Appendices 3. Sandstrøm product card for coffee machines.**Sandstrøm Grind and Brew Kahvinkeitin****Yleiset ominaisuudet:**

Teho (W):	1000
Tilavuus (l):	1,25
Kuppimäärä:	10
Lämmityselementit:	1
Asetukset:	9 eri asetusta

Toiminnot:

Termospullo:	Ei
Auto-off:	Kyllä
Ajastin:	Kyllä
Vesitasonilmaisin:	Kyllä
Puhdistustarpeenilmaisin:	Kyllä
Kalkkimääränilmaisin:	Kyllä
Mahdollisuus keittää pieniä määriä:	Ei
Aromikontrolli:	Kyllä
Tippalukko:	Kyllä
Kääntyvä suodatinteline:	Kyllä

**Muut ominaisuudet:**

Muotoilu/näyttö:	Tyylikäs kahvinkeitin/digitaalinen LCD-näyttö
Väri:	Teräs
Kahvimylly:	Integroitu kahvimylly, jonka avulla voit jauhaa tuoretta kahvia aina halutessasi. Tilavuus: 250 g kahvipapuja.
Korkeus (cm):	27,40
Leveys (cm):	22,90
Syvyys (cm):	40,40
Paino (kg):	5,00
Takuuaika:	2 vuotta

Hinta: 159 €

Appendices 4. Sandstrøm product card for portable DVD-players.**Sandstrøm kannettava DVD-soitin****Yleiset ominaisuudet:**

Tuetut levytyypit:	DVD/DVD+R/DVD+RW/DVD-RW/VCD/CD/CD-R/CD-RW/ Kodak picture CD
Tuetut tiedostotyypit:	MP3/WMA/AVI

Äänityslaite:

Tallennusmahdollisuus:	Ei
USB-tallennusmahdollisuus:	Ei
TV viritin:	Ei
Ohjelmoitava ajastin:	Ei

Mukavuus:

OnScreen valikko:	Kyllä, monikielinen
Taustavalon himmennin:	Kyllä
Lapsilukko:	Kyllä
Karaoke-toiminto:	Ei
Kaukosäädin:	Kyllä

**Muut ominaisuudet:**

Muistikorttipaikka ja USB-tulo mahdollistaa muistikortin ja muiden laitteiden liittämisen soittimeen.	
Väri:	Musta
Näyttö:	Kääntyvä 9” LED –taustavalaistu LCD-näyttö. Saat aina oikean katselukulman.
Ladattava akku:	Sisäänrakennettu
Keskimääräinen toisto-aika uusilla:	4 tuntia katseluaikaa uusilla paristoilla
Korkeus (cm):	4,10
Leveys (cm):	23,80
Syvyys (cm):	17,00
Paino (kg):	1,50
Takuuaika:	2 vuotta

Paketin sisältö:

käyttöohje, kaukosäädin, verkkolaturi, autolaturi, AV-kaapeli, kuulokkeet, kantolaukku

Hinta: 149 €